SLM Corporation Earnings Presentation

First Quarter 2022

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April 28, 2022

Forward-Looking Statements and Disclaimer

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Cautionary Note Regarding Forward-Looking Statements

The following information is current as of April 27, 2022 (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, 2022, the Form 10-Q for the quarter ended March 31, 2022 filed with the Securities and Exchange Commission ("SEC") on April 27, 2022 , 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. This includes, but is not limited to: statements regarding future developments surrounding COVID-19 or any other pandemic, including, without limitation, statements regarding the potential impact of COVID-19 or any other pandemic on the Company's business, results of operations, financial condition, and/or cash flows; 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 2022 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 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 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, 2021 (filed with the SEC on Feb. 24, 2022) and subsequent filings with the SEC; the societal, business, and legislative/regulatory impact of pandemics and other public heath crises; 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 credit 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 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 non-GAAP "Core Earnings" performance measures. The difference between the Company's non-GAAP "Core Earnings" and GAAP results for the periods presented were the unrealized, mark-to-fair value gains/losses on derivative contracts (excluding current period accruals on the derivative instruments), net of tax. These are recognized in GAAP, but not in non-GAAP "Core Earnings" results. The Company provides non-GAAP "Core Earnings" because it is one of several measures management uses when making management decisions regarding the Company's performance and the allocation of corporate resources. The Company's non-GAAP "Core Earnings" is not a defined term 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- Non-GAAP 'Core Earnings'" in the company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 for a further discussion and the "Non-GAAP 'Core Earnings' to GAAP Reconciliation" table in this Presentation for a complete reconciliation between GAAP net income and non-GAAP "Core Earnings".

Strengthening Economy

- Average unemployment rate for the over 25-year-old college graduate population improved to 2.2% in Q1 2022 from 3.8% in Q1 2021.[15]
- In an internal survey of our top 100 school relationships on early enrollment trends for AY 2022-2023, 83% expect their enrollment targets will be met or surpassed. 63% of these same schools are seeing increased admission applications compared to AY 2021-2022.[4]

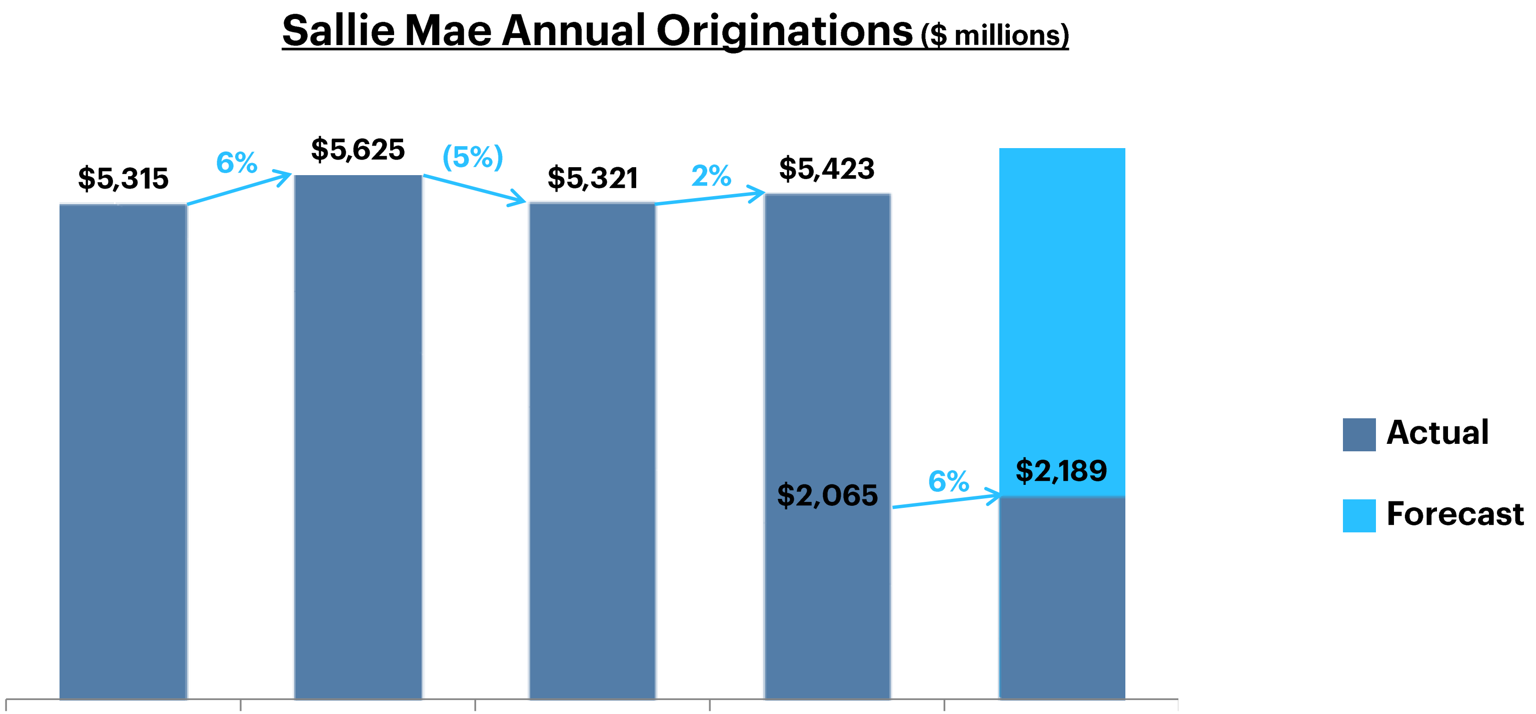
Strong Strategic Execution

- Our resilient business model and strategy allowed us to continue to perform well in the first quarter despite current macroeconomic pressures.
- Loan Sale/Share Repurchase strategy has led to a 3% reduction in share count since Jan. 1, 2022 and a 37% reduction since the initiative began in January of 2020.

Continuation of our Loan Sale Strategy

- On Apr. 27, 2022, the company sold approximately $2.0 billion of its private education loans, including approximately $1.9 billion of principal and approximately $130 million in capitalized interest, to an unaffiliated third party. The gain on sale will be recognized in the second-quarter 2022 consolidated statements of income.

Private Education Loan Originations[9]



Originations Statistics ($)	2018	2019	2020	2021	Q1 2022	Q1 2021
% Cosigned	87%	87%	86%	86%	88%	89%
% In School Payment	57%	58%	60%	59%	57%	59%
Average FICO at Approval[10]	746	746	749	750	748	751

Over the Last 18 Months, Sallie Mae Has Pursued a Simple Yet Powerful Strategy

Strategic Imperatives:

1. Maximize the profitability and growth of our core business
2. Maximize the value of our brand and attractive customer base
3. Better inform the external narrative about private student lending and Sallie Mae
4. Maintain a rigorous & predictable capital allocation & return program to create shareholder value
5. Develop & nurture a mission-led culture

1.

Maximize the profitability and growth of our core business

Revenue

- GAAP Net Income of $129 million in Q1 2022, compared to $641 million in Q1 2021.
- Originated $2.2 billion in Private Education Loans in Q1 2022 (6% increase vs. Q1 2021).

Total Operating Expenses

- Total operating expenses of $132 million in Q1 2022, which is 6% higher than the $125 million in Q1 2021.

Earnings/Capital

- Q1 2022 GAAP diluted earnings per common share of $0.45.
- Paid common stock dividend of $0.11 per share in Q1 2022.
- Repurchased 10 million shares of common stock in Q1 2022. This is a 3% decrease in shares outstanding since the beginning of 2022. From Jan. 1, 2020 through Mar. 31, 2022, the company has repurchased 156 million shares of common stock under its repurchase programs, which represents a 37% reduction in the total number of shares outstanding on Jan. 1, 2020.
- There was $1.1 billion of capacity remaining under the 2022 Share Repurchase Program at Mar. 31, 2022.

Quarterly Financial Highlights[3]

	Q1 2022	Q4 2021	Q1 2021
Income Statement ($ Millions)			
Total interest income	$465	$458	$436
Total interest expense	90	91	105
Net Interest Income	375	367	331
Less: provisions for credit losses	98	(15)	(226)
Total non-interest income	22	153	413
Total non-interest expenses	133	125	126
Income tax expense	37	104	203
Net Income	129	306	641
Preferred stock dividends	1	1	1
Net income attributable to common stock	128	305	640
Non-GAAP "Core Earnings" adjustments to GAAP[(1)]	-	1	8
Non-GAAP "Core Earnings" net income attributable to common stock[(1)]	128	306	648
Ending Balances ($ Millions)			
Private Education Loans held for investment, net	$20,586	$19,625	$19,633
FFELP Loans held for investment, net	680	693	725
Credit Cards held for investment, net	25	23	10
Deposits	$21,194	$20,828	$22,803
Brokered	9,946	10,123	12,146
Retail and other	11,248	10,705	10,657

	Q1 2022	Q4 2021	Q1 2021
Key Performance Metrics			
Net Interest Margin	5.29%	5.13%	4.40%
Yield—Total Interest-earning assets	6.56%	6.40%	5.80%
Private Education Loans	8.38%	8.31%	8.22%
Credit Cards	3.95%	4.12%	0.78%
Cost of Funds	1.35%	1.36%	1.53%
Return on Assets ("ROA")[(5)]	1.8%	4.2%	8.3%
Non-GAAP "Core Earnings" ROA[(6)]	1.8%	4.2%	8.4%
Return on Common Equity ("ROCE")[(7)]	27.1%	62.3%	101.5%
Non-GAAP "Core Earnings" ROCE[(8)]	27.1%	62.6%	102.8%
Per Common Share			
GAAP diluted earnings per common share	$0.45	$1.04	$1.75
Non-GAAP "Core Earnings" diluted earnings per common share[(1)]	$0.46	$1.05	$1.77
Average common and common equivalent shares outstanding (millions)	281	293	366

Credit Performance[11, 12, 13, 16]

Private Education Loans Held for Investment

($ Thousands)	Quarters Ended					
	March 31, 2022		**December 31, 2021**		**March 31, 2021**	
	Balance	**%**	**Balance**	**%**	**Balance**	**%**
Loans in repayment and percentage of each status:						
Loans current	$ 15,530,080	96.5%	$ 15,005,773	96.7%	$ 14,471,427	97.9%
Loans delinquent 30-59 days	260,535	1.6%	308,559	2.0%	152,743	1.0%
Loans delinquent 60-89 days	169,060	1.1%	116,947	0.8%	86,390	0.6%
Loans 90 days or greater past due	135,482	0.8%	79,933	0.5%	67,379	0.5%
Total private education loans in repayment	$ 16,095,157	100.0%	$ 15,511,212	100.0%	$ 14,777,939	100.0%
Loans delinquent 30+ days (as a percentage of loans in repayment)		3.5%		3.3%		2.1%
Loans in forbearance	$ 234,260		$ 301,237		$ 570,227	
Loans in forbearance as a % of loans in repayment and forbearance		1.4%		1.9%		3.7%
Allowance as a % of the ending loans in repayment		7.6%		7.5%		7.9%
Net charge-offs as a % of average loans in repayment (annualized)		1.89%		1.58%		1.29%

Allowance for Credit Losses Q1 2022

Consolidated Statements of Income
Provisions for Credit Losses Reconciliation

($ Thousands)	Quarter Ended March 31, 2022
Private Education Loan provisions for credit losses:	
Provisions for credit losses	$ 43,213
Provisions for unfunded loan commitments	54,679
Total Private Education Loan provisions for credit losses	97,892
Other impacts to the provisions for credit losses:	
FFELP Loans	21
Credit Cards	137
Total	158
Provisions for credit losses reported in consolidated statements of income	$ 98,050

- Provision for credit losses in the current quarter was $98 million, compared with a $226 million negative provision in the year-ago quarter. During the first quarter of 2022, the provision for credit losses was primarily affected by new loan commitments made during the quarter and additional management overlays, which were partially offset by improved economic forecasts and faster prepayment rates.

- In the year-ago quarter, the provision for credit losses was favorably affected by improved economic forecasts and faster prepayments speeds. The faster estimated prepayments speeds reflected the significant improvement in economic forecasts as well as the implementation of an updated prepayment speed model in the first quarter of 2021.

Guidance[14]

For the full-year 2022, the Company expects:

$2.80- $3.00 Diluted Non-GAAP "Core Earnings"[17] Per Common Share	**8%-10%** Private Education Loan Originations Year-Over-Year Growth
$270 million – $290 million Total Loan Portfolio Net Charge-Offs	**$555 million – $565 million** Non-Interest Expenses

Footnotes

1. Derivative Accounting: we provide non-GAAP "Core Earnings" because it is one of several measures management uses to evaluate management performance and allocate corporate resources. Non-GAAP "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. 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 non-GAAP "Core Earnings" is not a defined term within GAAP and may not be comparable to similarly titled measures reported by other companies.
2. Non-GAAP "Core Earnings" tax rate is based on the effective tax rate at Sallie Mae Bank where the derivative instruments are held.
3. The difference between non-GAAP "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 non-GAAP "Core Earnings" results. See page 13 for a reconciliation of GAAP and non-GAAP "Core Earnings".
4. Source: Internal Survey of Sallie Mae's top 100 institutions based on originations volume.
5. 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.
6. We calculate and report our non-GAAP "Core Earnings" Return on Assets (Non-GAAP "Core Earnings ROA") as the ratio of (a) non-GAAP "Core Earnings" net income numerator (annualized) to (b) the GAAP total average assets denominator.
7. We calculate and report our Return on Common Equity ("ROCE") as the ratio of (a) GAAP net income attributable to SLM Corporation common stock numerator (annualized) to (b) the net denominator, which consists of GAAP total average equity less total average preferred stock.
8. We calculate and report our non-GAAP "Core Earnings" Return on Common Equity (Non-GAAP "Core Earnings ROCE") as the ratio of (a) non-GAAP "Core Earnings" net income attributable to SLM Corporation common stock numerator (annualized) to (b) the net denominator, which consists of GAAP total average equity less total average preferred stock.
9. Originations represent loans that were funded or acquired during the period presented.
10. Represents the higher credit score of the cosigner or the borrower.
11. For Private Education Loans on 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 (but do not include those loans while they are in forbearance).
12. For Private Education Loans on this slide, "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.
13. The period of delinquency is based on the number of days scheduled payments are contractually past due.
14. This information constitutes forward-looking statements. See page 2 of this Presentation for a cautionary note regarding forward-looking statements.

Footnotes (continued)

15. Quarterly average: Source based on U.S. Bureau of Labor Statistics (BLS): Current Population Survey (CPS) as of April 1, 2022. A-5. Employment status of the civilian noninstitutional population 25 years and over by educational attainment, seasonally adjusted.
16. For some students, going back to school in the fall of 2020 was not an option because of the pandemic, or for other reasons. Therefore, some students took a “gap year” before returning to school in the fall of 2021. In 2020, for those students that had unexpectedly separated from school, we provided an extension of time through fall 2021 to re-enroll, before beginning their grace period that occurs prior to entering full principal and interest repayment status. At March 31, 2021, the loans in the “in forbearance” category above include $29 million of Private Education Loans whose borrowers did not return to school in the fall of 2020 and who then received an extension of time from us to re-enroll before beginning their grace period. At March 31, 2021, the loans in the “in repayment” category above include $482 million of Private Education Loans whose borrowers did not return to school in the fall of 2020 and who then received an extension of time from us to re-enroll before beginning their grace period. This program ended in September 2021.
17. 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 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.

Non-GAAP "Core Earnings" to GAAP Reconciliation

($ in thousands, except per share amounts)	Quarters Ended		
	Mar. 31, 2022	Dec. 31, 2021	Mar. 31, 2021
Non-GAAP "Core Earnings" adjustments to GAAP:			
GAAP net income	$128,812	$306,265	$641,207
Preferred stock dividends	$1,275	$1,177	$1,201
GAAP net income attributable to SLM Corporation common stock	**$127,537**	**$305,088**	**$640,006**
Adjustments:			
Net impact of derivative accounting[1]	$248	$1,833	$10,863
Net tax expense[2]	$60	$443	$2,627
Total non-GAAP "Core Earnings" adjustments to GAAP	$188	$1,390	$8,236
Non-GAAP "Core Earnings" attributable to SLM Corporation common stock	**$127,725**	**$306,478**	**$648,242**
GAAP diluted earnings per common share	$0.45	$1.04	$1.75
Derivative adjustments, net of tax	$0.01	$0.01	$0.02
Non-GAAP "Core Earnings" diluted earnings per common share	**$0.46**	**$1.05**	**$1.77**