

Investor Presentation

3rd Quarter 2023



Forward-Looking Statements and Disclaimer



Cautionary Note Regarding Forward-Looking Statements

The following information is current as of October 25, 2023 (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 September 30, 2023, the Form 10-Q for the quarter ended September 30, 2023, filed with the Securities and Exchange Commission (“SEC”) on October 25, 2023, 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 2023 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, 2022 (filed with the SEC on Feb. 23, 2023) and subsequent filings with the SEC; the societal, business, and legislative/regulatory impact of pandemics and other public health 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 September 30, 2023, 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”.



Sallie Mae is an Outstanding Franchise

Sallie Mae is the market-leading brand for private education loans driven by brand recognition, rigorous underwriting methodology and industry-leading customer service.



Top ranked and highly recognized brand



Industry leading and award-winning technologies



Well funded with sufficient liquidity, capital, and loan loss reserves



2,100+

actively managed university relationships across the U.S.²



Largest salesforce in the industry



Appears on **96%** of preferred lender lists²

69%

Market share of full private student lending marketplace¹

6.3%

Return on Common Equity*

6-7%

Annual Private Education Loan Originations Growth projected in 2023³

90%

Cosigner Rate*

749

Average FICO at Approval*

2.44%

Annualized Net Charge-offs as a percentage of Avg. Loans²⁰ in Repayment for first nine mos. of 2023.



Balance Sheet & Capital Allocation

- Paid common stock dividend of \$0.11 per share in Q3 2023.
- Sallie Mae Bank remains well capitalized with 12.9% Total risk-based capital ratio and CET1 capital ratio of 11.7%.

Revenue

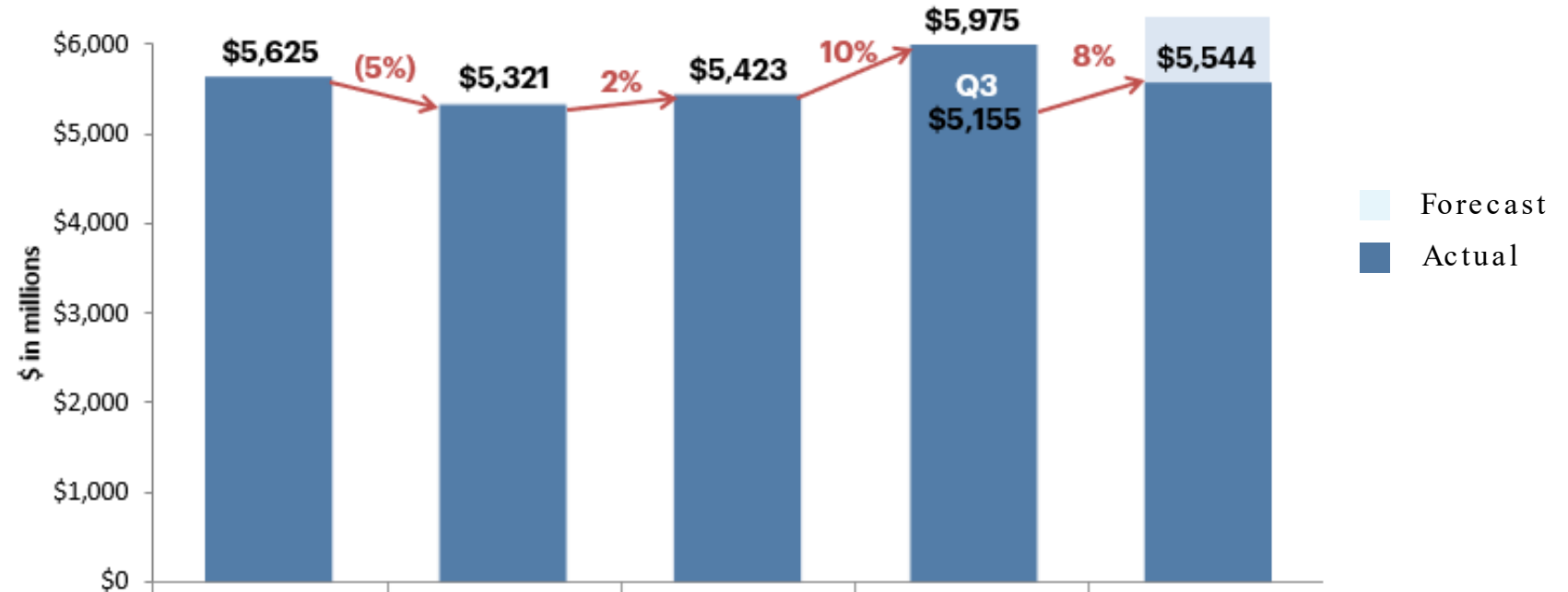
- GAAP Net Income attributable to common stock of \$25 million in Q3 2023 driven by strong NIM, compared to Net Income attributable to common stock of \$73 million in Q3 2022.
- Q3 2023 GAAP diluted earnings per common share of \$0.11 vs. \$0.29 in Q3 2022.
- Net interest income increased by \$15 million in Q3 2023 compared with the year-ago quarter primarily due to a 16-basis point increase in our net interest margin and a \$599 million increase in our average loans outstanding.

Total Operating Expenses

- Total operating expenses of \$167 million in Q3 2023, as compared to \$150 million in the year-ago quarter.
 - Increase attributed to higher FDIC fees as well as higher originations, more loans on the balance sheet due to a slowdown in consolidations, an increase in staffing over Q3 of 2022, and the absorption of general inflationary pressures.

Private Education Loan Originations¹³

- Third quarter 2023 originations at approximately \$2.5 billion, 4% higher than the year-ago period.
- Year-to-Date 2023 originations 7.5% higher than year-to-date 2022.
- Through the first nine months of the year, both our application and origination volume for underclassmen has increased by 10% as compared to the first nine months of 2022.



	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Q3 2023</u>	<u>Q3 2022</u>
% Cosigned	87%	86%	86%	86%	90%	89%
% In School Payment	58%	60%	59%	57%	56%	57%
Average FICO at Approval ⁶	746	749	750	747	749	747



Private Education Loans

- On October 13, 2023, the Company sold approximately \$1 billion of its Private Education Loans to an unaffiliated third party. The gain on sale of loans will be recognized in the fourth-quarter 2023 consolidated statements of income.

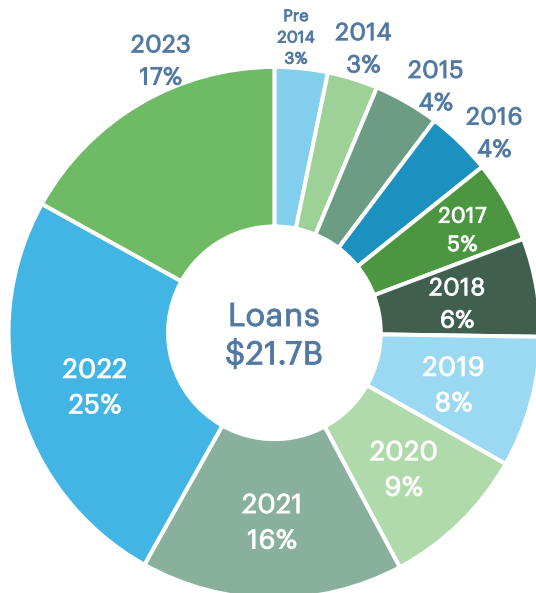
Credit Performance

- Q3 2023 net charge-offs for Private Education Loans totaled \$95 million.
- Annualized net charge-offs as a percentage of average loans in repayment for the first nine months of the year is 2.44% and remains lower than our plan for full-year 2023.
- Q3 2023 Private Education Loans delinquent 30+ days were 3.65% of loans in repayment, a decrease from Q2 2023, and an improvement from the year-ago quarter.

Funding & Liquidity

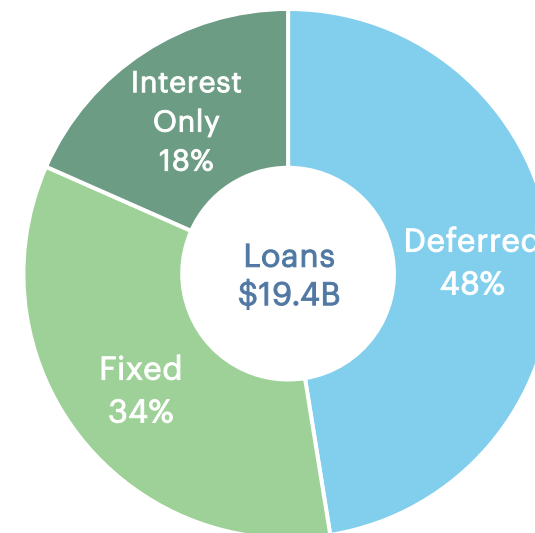
- During Q3 2023, we executed an ABS funding transaction at a weighted average cost of funds of SOFR + 1.69%. This was an increase of 16 basis points from the ABS funding transaction in Q1 2023, but 7 basis points lower than the ABS funding transaction completed in Q3 2022.
- Our deposit portfolio continues to be stable, with balances at the end of Q3 2023 slightly higher than at the end of Q2 2023 and Q3 2022.
 - At the end of Q3 2023, our uninsured deposits made up only 2% of our deposit base.
- Marketable securities make up a portion of our liquidity sources. As of 9/30/2023, our unrealized losses on that portfolio total \$185 million. Realizing those losses would result in a regulatory capital charge of approximately 50 basis points.

Originations Vintage

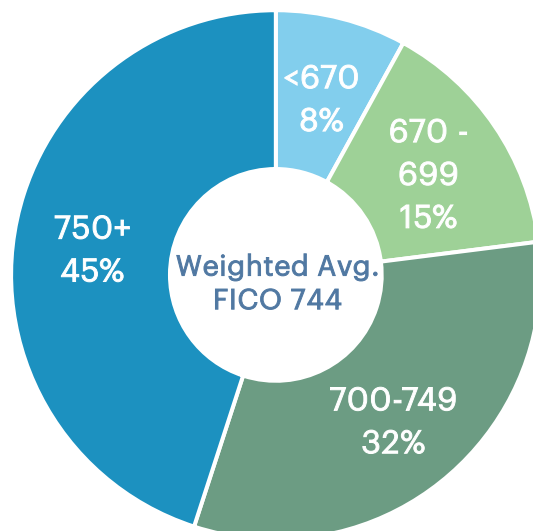


High Quality Private Education Loan Portfolio

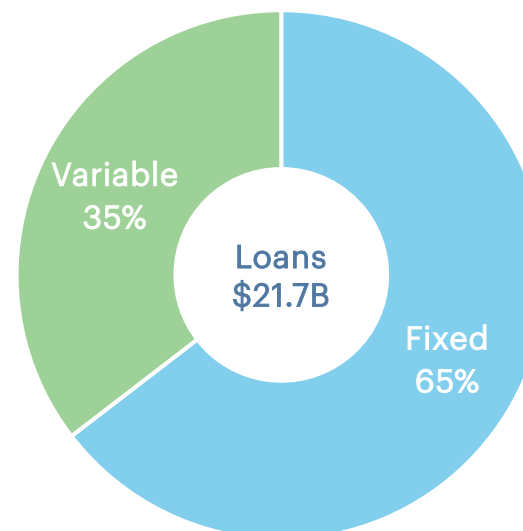
Smart Option Payment Type



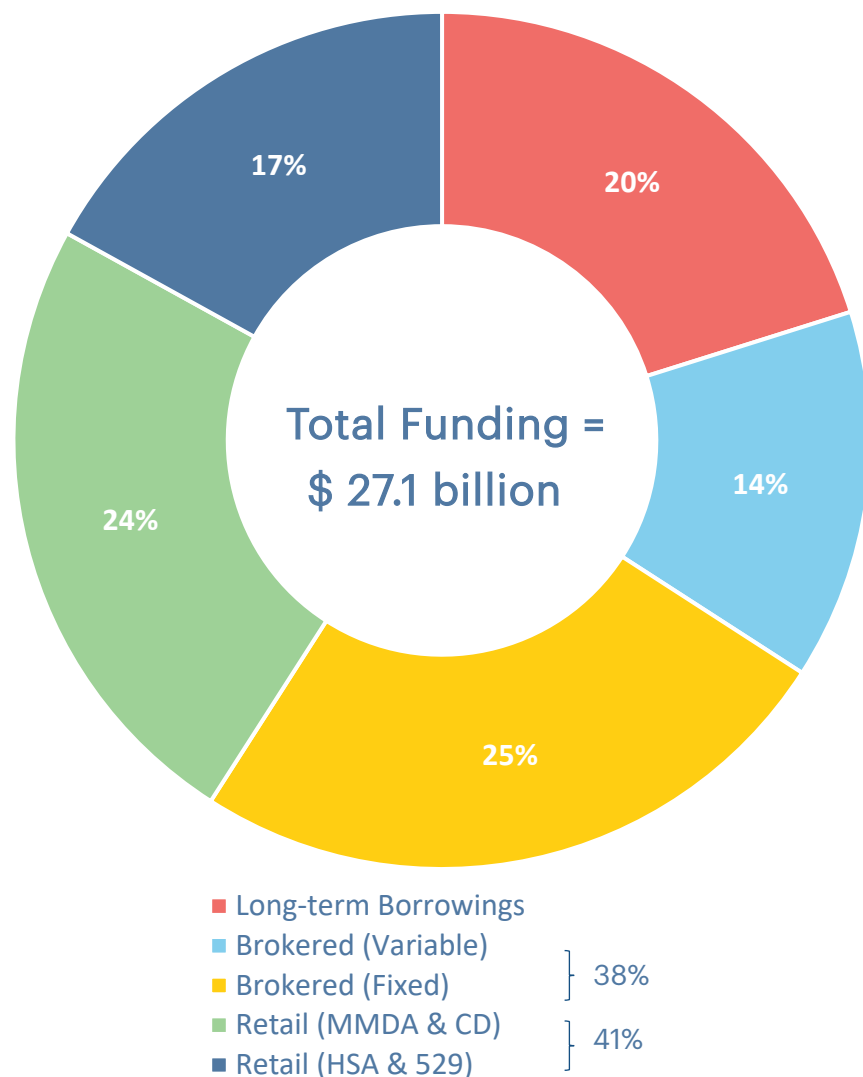
Customer FICO at Original Approval⁶



Portfolio Interest Rate Type



Conservative Funding Optimizes Net Interest Margin






Long-Term Funding

- Outstanding borrowings consist of unsecured debt and secured borrowings issued through our term asset-backed securitization program, totaling \$1 billion and \$4.5 billion, respectively, as of September 30, 2023.

Deposits

- Our total deposits of \$21.6 billion were comprised of \$10.4 billion in brokered deposits and \$11.2 billion in retail and other deposits at September 30, 2023.
- Interest-bearing deposits consist of retail and brokered non-maturity savings deposits, retail and brokered non-maturity money market deposits, and retail and brokered certificates of deposit. Also included are deposits from Educational 529 and Health Savings plans that diversify our funding sources.
- There were \$494 million of deposits exceeding FDIC insurance limits at the end of Q3 2023.

Simple But Powerful Investment Thesis

 <p>Attractive Earnings Profile</p>	<ul style="list-style-type: none">• Consistent earnings expansion is driven by top line growth and efficiency• Sallie Mae is the leader in the private education loan market
 <p>Manageable Risk</p>	<ul style="list-style-type: none">• Well-proven and disciplined underwriting model leveraging data and experience through the last recession• Despite headlines on student lending and federal student loan performance, we are well equipped to manage the perceived political risk to our business
 <p>Disciplined Capital Allocation</p>	<ul style="list-style-type: none">• Core loan product generates very attractive ROEs• Utilizing a hybrid hold/sell model to create capital that can be used to buy back undervalued stock

Clear Strategy to Prove this Investment Thesis

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 and predictable capital allocation and return program to create shareholder value



Maximize the Profitability and Growth of the Core Business



Maximize Revenue

Drive penetration at all schools

Increase market share by fully meeting student funding needs

Enhance risk-adjusted pricing and underwriting

Improve marketing, digital, and data capabilities



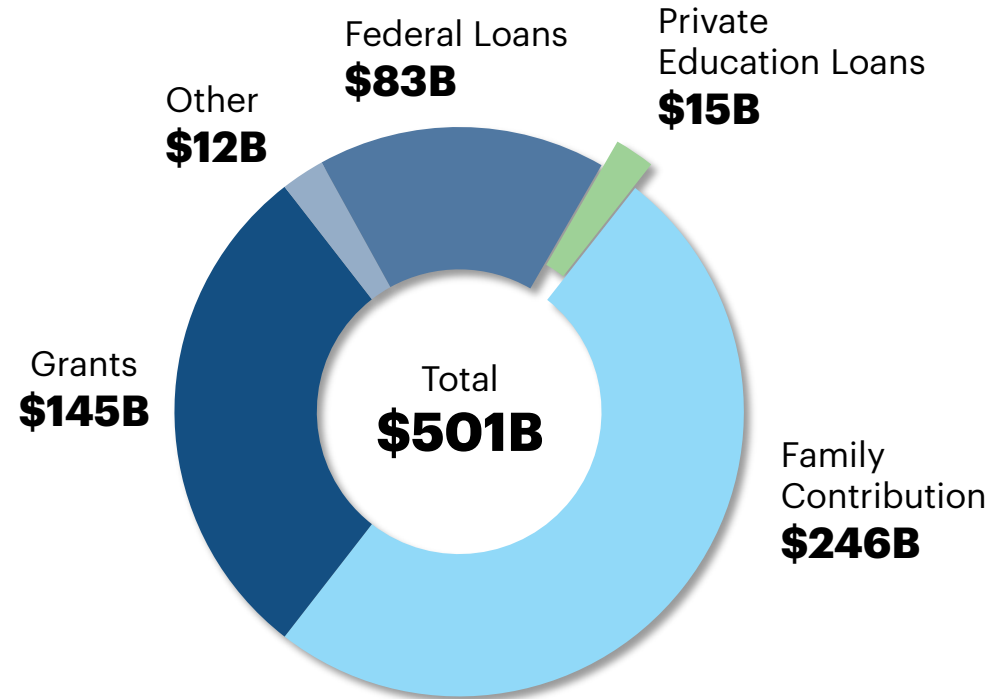
Manage Unit Costs

Strong focus on fixed cost discipline

Drive towards reducing both the unit cost of servicing and the unit cost of acquisitions

Improve third-party vendor cost management

Funding the Cost of a Higher Education



Higher Education Spend⁴
(Academic Year 2022-2023)

Families' out-of-pocket contributions covered half of college costs

- Families' out-of-pocket contributions covered 50% of cost
- Scholarships and grants covered 29%
- Borrowed funds covered 19%
- Relatives and friends helped with 2% of costs

4 in 10 families used borrowed funds in AY 2022-23

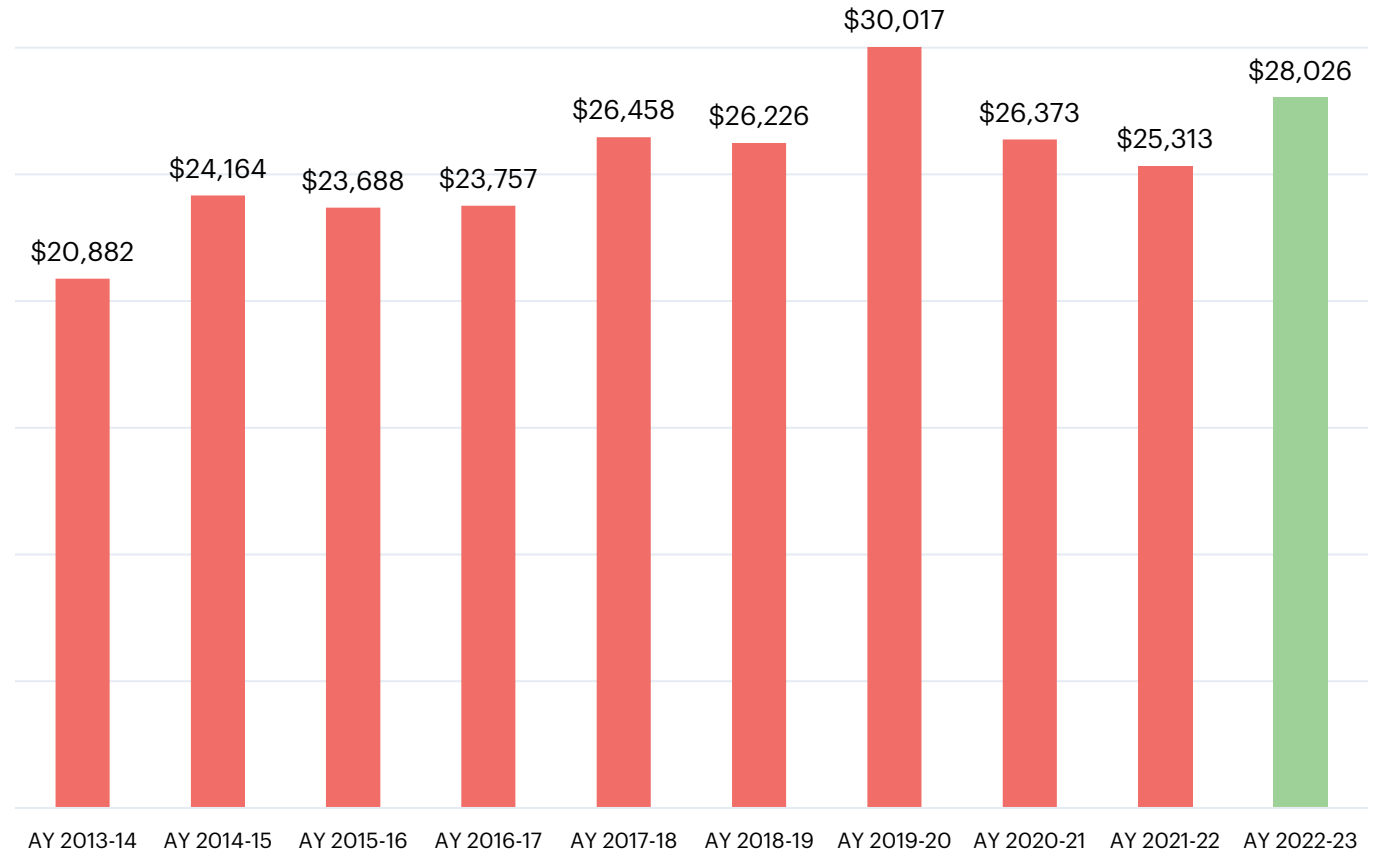
- On average, students borrowed \$11,337 and parents borrowed \$13,507
- Borrowing rates vary by school type
 - 45% of 4-year private school families borrowed
 - 41% of 4-year public school families borrowed
 - 25% of 2-year school families borrowed
- Student borrowing is more prevalent than parent borrowing
 - 56% - only the student borrowed
 - 32% - only the parent borrowed
 - 12% - both borrowed

SOURCE: How America Pays for College 2023

On average, families spent **\$28,026** on college in **AY 2022-23**

- Families report a college spending increase for the first time in two years (up 11% vs. last year)
- The perception of the overall value of education to the price has not changed over the past 5 years
 - 7 in 10 families believe the value of their education is 'appropriate', a 'bargain' or 'excellent value' compared to the price they are paying

Reported spending, by academic year



Support for Federal Student Loan Borrowers²³

An “On Ramp” to Repayment²¹

For all federal borrowers looking to resume payments of federal loans, a year-long “on-ramp” has been instituted by the Department of Education “so that financially vulnerable borrowers who miss monthly payments during this period are not considered delinquent, reported to credit bureaus, placed in default, or referred to debt collection agencies.” This administratively created “on ramp” will be in place until (at least) September 30, 2024.

Deferment and Forbearance²⁴

Federal borrowers in hardship can request loan forbearance or deferment in times of unemployment, economic hardship or other circumstance that makes it difficult to meet their loan obligations.

Enhanced Income Driven Repayment²²

Federal borrowers already have access to multiple Income Driven Repayment (IDR) options, which can allow them to remain in good standing making as little as \$0 payments, and the Biden Administration is rolling out an even more generous option. Some elements of the plan, the new “SAVE” plan, are in place now. These elements include:

- Disposable income will be calculated by subtracting 225% of the poverty level from actual income compared to 150% previously;
- Married borrowers will no longer be required to count their spouse’s income in their payment calculation; and
- Unpaid interest will no longer be accrued into the loan balance.

Other benefits of the expanded program are expected to be operational by July of 2024 and include:

- Payments on undergraduate loans will be cut in half, from 10% to 5% of incomes above 225% of Federal poverty guidelines; and
- Borrowers whose original principal balances were \$12,000 or less will receive forgiveness after 120 payments – the equivalent of 10 years in repayment – with an additional 12 payments added for each additional \$1,000 borrowed above that level, up to a maximum of 20 or 25 years.

Sallie Mae's Core Product Contains Customer Friendly Provisions That Enable Successful Outcomes



Sallie Mae Smart Option Student Loan

Benefits from school through repayment

In-School

- Competitive variable & fixed rates
- No origination fees
- Three repayment options
 - Monthly interest payments
 - \$25 fixed monthly payments
 - Defer payments
- Quarterly FICO Score

Repayment

- No prepayment penalty
- Auto debit 0.25 percentage point interest rate reduction
- Graduated repayment period
- Cosigner release (for those who qualify)
- Return-to-school deferment
- Internship/residency deferment
- Active-duty military deferment

Sallie Mae Student Borrowers

92%

of Sallie Mae student loan borrowers who are out of school are employed⁵



Optimize the **Value of the Brand** and **Attractive Client Base**



We know our customers' finances, payment patterns and indebtedness



We have the relationships and knowledge to assist our customers with their next step: post-graduation plans, jobs, future financial needs



We are there for our customers during and after their important transition to adulthood



What We Do

Build products and services that leverage our customer affiliation

Ensure products and services are consistent with our core mission and drive customer value

Prioritize partnerships and other capital efficient avenues of growth

Look for opportunities to optimize ROI



Maintain Rigorous Capital Allocation and Return Program

Invest in High ROE Growth

- Continue to focus on high-quality Private Education Loan originations, including deeper penetration of graduate school market
- Build other sources of revenue and capital in expense-efficient ways

Share Repurchase

- From January 1, 2020, through September 30, 2023, we repurchased 48% of common shares outstanding at January 1, 2020.
- \$326 million of capacity remained under our 2022 Share Repurchase Program authorization at September 30, 2023 (which expires in Jan. 2024).

Current Hybrid Hold / Sell Loan Model³

- Selling assets to optimize growth in required capital
- The expected result is a balance sheet that will remain relatively flat under the current approach despite loan sales, to maximize shareholder return as we phase-in CECL requirements.
- \$1B in Private Education Loan sales completed on October 13, 2023 – will enable additional return of excess capital to shareholders

Quarterly Common Stock Dividend

- Paid \$0.11 quarterly common stock dividend in Q3 2023
- Expect to continue to pay dividend, subject to Board approval^{3,15}

Diverse Student Loan Portfolio Driving Increased Shareholder Value



Medical



Health
Professions



Dental



General
Studies



MBA



Undergraduate



Law

- Products designed to meet the needs of all students
- Developing unique and innovative products to diversify portfolio

	Undergraduate	Graduate
RATE TYPE	Variable & Fixed	Variable & Fixed
INTEREST RATE RANGES	Variable: SOFR + 1.250% - SOFR + 12.375% Fixed: 4.75% - 16.530%	Variable: SOFR + 1.750% - SOFR + 11.625% Fixed: 5.240% - 15.000%
REPAYMENT OPTION	Deferred, Interest Only & Fixed Repayment	Deferred, Interest Only & Fixed Repayment
REPAYMENT TERM	10-15 years	20 years for Medical and Dental 15 years for Remaining Disciplines
GRACE PERIOD	6 months	6-36 months
INTERNSHIP / RESIDENCY DEFERMENT	Up to 60 months	Up to 48 months
FEATURES	ACH discount FICO Score Cosigner Release GRP Student Death & Disability Release	ACH discount FICO Score Cosigner Release GRP Student Death & Disability Release

As of 11/6/23

Our Approach to ESG

Our ESG approach is grounded in our mission and where we can make the most impact: powering confidence in students and families on their unique higher education journey.



Supporting Higher Education Access and Completion

In 2022, through our ongoing partnership with Thurgood Marshall College Fund, our charitable arm, The Sallie Mae Fund awarded nearly



**\$1 MILLION
IN SCHOLARSHIPS**

to help underserved and underrepresented students access and complete higher education.

“ My plight of growing up in a socioeconomically disadvantaged home sparked my interest in higher education to better my environment. I am a first-generation college student who relies heavily on the generous giving of scholarship donors such as Sallie Mae to be able to continue the pursuit of my educational goals.



Denerick Simpson
Savannah State University
Master of Public Administration
Bridging the Dream Scholarship for Graduate Students recipient



Volunteerism and Giving

Giving back to communities where we operate and our team members live, work, and serve.

\$71 million

provided in new investments to support low- and -moderate income housing in Utah – home to Sallie Mae Bank.

\$385,000

contributed in grants to advance social justice and remove barriers to higher education access and completion.

\$70,000

given through our employee matching gifts program.



Reducing Our Environmental Footprint

**GHG
EMISSIONS
INVENTORY**

Completed our first comprehensive greenhouse gas emissions inventory to identify opportunities to reduce future impact.

**SIGNED
ZERO-WASTE
AGREEMENT**

Highlighted our dedication to sustainable practices with a commitment to our waste management and recycling provider.



Supporting Our Workforce

We help our team members grow, thrive, and feel empowered to bring their full selves to work each day.

Provided more than
\$250,000

tuition reimbursement in 2022 for courses or degrees related to their job.

Provided more than
12,000

hours of primary parental leave and nearly 5,000 hours of secondary parental leave to team members in 2022.

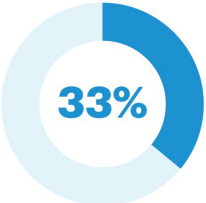
Offered up to
\$10,000

in adoption reimbursement and recognized as one of the **100 Best Adoption-Friendly Workplaces** by The Dave Thomas Foundation for Adoption.



Powering Responsible and Ethical Corporate Governance

We set high standards and expectations for the ethical conduct of our leadership, employees, and business.



Our Board of Directors is comprised of 33% women and has been recognized for its diversity

“ I’m consistently impressed and feel fortunate to be surrounded by such an amazing and diverse group of Directors. Together with the company’s Executive Leadership team we’re charting a course for Sallie Mae that’s squarely aligned to the company’s mission while upholding responsible, ethical, and diverse governance.



Carter Franke
Chair of Sallie Mae’s Board of Directors

ABS Supplement



Sallie Mae's Smart Option Loan Product Overview

The Smart Option loan product was introduced by Sallie Mae in 2009



The Smart Option loan program consists of:

Smart Option Interest Only loans

Require full interest payments during in-school, grace, and deferment periods

Smart Option Fixed Pay loans

Require \$25 fixed payments during in-school, grace, and deferment periods

Smart Option Deferred loans

Do not require payments during in-school and grace periods

- Smart Option payment option may not be changed after selected at origination
- Fixed-rate loans or variable-rate loans
- Consumer credit underwriting, with minimum FICO, custom credit score model and judgmental underwriting
- Marketed primarily through the school channel and also directly to consumers, with all loans certified by and disbursed directly to schools
- Qualified education loans are non-dischargeable in bankruptcy, unless a borrower can prove that repayment of the loan would impose an "undue hardship"

Sallie Mae Bank ABS Summary¹⁴

	14-A	15-A	15-B	15-C	16-A	16-B	16-C	17-A	17-B	18-A	18-B	18-C	19-A	19-B	20-A	20-B	21-B	21-D	21-E	22-C	23-A	23-C
Issuance Date	8/7/2014	4/23/2015	7/30/2015	10/27/2015	5/26/2016	7/21/2016	10/12/2016	2/8/2017	11/8/2017	3/21/2018	6/20/2018	9/19/2018	3/13/2019	6/12/2019	2/12/2020	8/12/2020	5/19/2021	8/18/2021	11/9/2021	8/9/2022	3/15/2023	8/16/2023
Total Bond Amount (\$mil)	\$382	\$704	\$714	\$701	\$551	\$657	\$674	\$772	\$676	\$670	\$687	\$544	\$453	\$657	\$636	\$707	\$531	\$527	\$534	\$575	\$579	\$568
Initial AAA Enhancement (%)	21%	23%	22%	23%	20%	19%	17%	17%	18%	18%	17%	17%	18%	15%	15%	19%	12%	13%	12%	22%	18%	19%
Initial Class B Enhancement (%)	12%	13%	13%	14%	12%	12%	10%	11%	11%	11%	10%	10%	11%	8%	8%	12%	5%	6%	5%	16%	11%	13%
Wtd Avg Spread over Benchmarks																						
'AAA' Rated A Classes (%)	+1.17%	+1.01%	+1.27%	+1.49%	+1.38%	+1.36%	+1.00%	+0.82%	+0.70%	+0.71%	+0.66%	+0.67%	+0.82%	+0.91%	+0.76%	+1.10%	+0.70%	+0.62%	+0.63%	+1.64%	+1.41%	+1.55%
A and B Classes Combined (%)	+1.39%	+1.28%	+1.50%	+1.74%	+1.60%	+1.55%	+1.15%	+0.93%	+0.80%	+0.78%	+0.76%	+0.77%	+0.92%	+1.01%	+0.88%	+1.30%	+0.77%	+0.69%	+0.69%	+1.76%	+1.53%	+1.69%
Loan Program (%)																						
Smart Option	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Loan Status (%)																						
School, Grace, Deferment	90%	79%	78%	73%	75%	74%	70%	65%	73%	69%	70%	69%	61%	69%	58%	56%	59%	58%	59%	59%	62%	61%
P&I Repayment	9%	20%	21%	24%	23%	24%	28%	33%	26%	29%	27%	30%	36%	28%	40%	40%	38%	40%	40%	41%	37%	39%
Forbearance	0%	2%	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	3%	2%	3%	5%	3%	2%	1%	1%	1%	1%
Wtd Avg Term to Maturity (Mo.)	140	133	130	127	135	133	131	131	135	139	139	138	136	140	139	139	144	143	143	145	160	159
% Loans with CoSigner	93%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	93%	93%	92%	92%	92%	92%	92%	92%	91%
Not For Profit (%)	89%	86%	87%	87%	87%	87%	89%	90%	91%	91%	91%	91%	91%	91%	90%	90%	90%	90%	90%	92%	92%	90%
Wtd Avg FICO at Origination	747	747	746	747	747	747	748	746	747	747	746	746	746	745	744	743	742	742	741	743	744	743
Wtd Avg Recent FICO at Issuance	745	744	741	747	743	745	745	744	745	744	742	744	744	742	741	742	743	745	745	745	742	741
Wtd Avg FICO at Origination (Cosigner)	750	750	749	750	750	750	750	748	749	748	748	748	748	747	745	745	744	744	743	745	746	745
Wtd Avg Recent FICO at Issuance (Cosigner)	748	748	745	750	747	749	748	748	748	747	745	747	748	745	744	745	746	748	748	748	745	745
Wtd Avg FICO at Origination (Borrower)	708	714	715	714	719	719	721	720	723	724	724	724	724	724	721	722	721	721	720	722	722	724
Wtd Avg Recent FICO at Issuance (Borrower)	701	702	699	701	704	708	708	705	707	708	706	709	708	704	699	704	707	712	711	706	701	703
Variable Rate Loans (%)	85%	82%	82%	82%	82%	82%	80%	81%	80%	75%	72%	70%	67%	63%	58%	52%	50%	50%	50%	48%	43%	39%
Wtd Avg Annual Borrower Interest Rate	7.82%	8.21%	8.21%	8.27%	8.22%	8.24%	8.26%	8.39%	8.94%	9.29%	9.58%	9.69%	10.05%	10.00%	9.45%	8.68%	8.64%	8.64%	8.68%	9.30%	10.86%	11.26%

Sallie Mae Bank ABS Structures

SIZE
PRICING DATE
COLLATERAL
SERVICER
OVERCOLLATERALIZATION ¹⁷
PRICING PREPAYMENT SPEED ¹⁸
TRANCHE STRUCTURE AT ISSUANCE

WA BORROWER INTEREST RATE
WA FICO AT ORIGINATION ⁶
% LOANS WITH COSIGNER
% VARIABLE RATE LOANS

SMB 2023-C				
\$568.0MM				
August 8, 2023				
Smart Option Private Education Loans				
Sallie Mae Bank				
13%				
8%				
CLASS	AMT (\$MM)	DBRS	WAL	Pricing
A-1A	425.00	AAA	4.45	I Curve + 155
A-1B	100.00	AAA	4.45	SOFR + 155
B	43.00	AA	10.81	I Curve + 240
11.26%				
743				
91%				
39%				

SMB 2023-A				
\$579.0MM				
March 8, 2023				
Smart Option Private Education Loans				
Sallie Mae Bank				
11%				
8%				
CLASS	AMT (\$MM)	DBRS	WAL	Pricing
A-1A	473.00	AAA	4.57	I Curve + 140
A-1B	60.00	AAA	4.57	SOFR + 150
B	46.00	AA	10.82	I Curve + 210
10.86%				
744				
92%				
43%				

SMB 2022-C				
\$575.0MM				
August 2, 2022				
Smart Option Private Education Loans				
Sallie Mae Bank				
15%				
8%				
CLASS	AMT (\$MM)	S&P	WAL	Pricing
A-1A	457.00	AAA	4.27	I Curve + 160
A-1B	75.00	AAA	4.27	SOFR + 185
B	43.00	AA+	9.9	I Curve + 240
9.30%				
743				
92%				
48%				

Appendix



Quarterly Financial Highlights

	Q3 2023	Q2 2023	Q3 2022
Income Statement (\$ Millions)			
Total interest income	\$652	\$634	\$520
Total interest expense	268	247	150
Net Interest Income	385	387	370
Less: provisions for credit losses	198	18	208
Total non-interest income	24	144	95
Total non-interest expenses	170	156	152
Income tax expense	11	92	30
Net Income	29	265	75
Preferred stock dividends	5	4	2
Net income attributable to common stock	25	261	73
Non-GAAP "Core Earnings" adjustments to GAAP ^(7,12)	-	-	-
Non-GAAP "Core Earnings" net income attributable to common stock ^(7,12)	\$25	\$261	\$73
Ending Balances (\$ Millions)			
Private Education Loans held for investment, net	\$20,348	\$18,649	\$18,981
FFELP Loans held for investment, net	551	571	641
Deposits	\$21,551	\$20,361	\$21,277
Brokered	10,376	8,720	10,232
Retail and other	11,175	11,641	11,045

	Q3 2023	Q2 2023	Q3 2022
Key Performance Metrics			
Net Interest Margin	5.43%	5.52%	5.27%
Yield—Total Interest-earning assets	9.21%	9.05%	7.42%
Private Education Loans	10.96%	10.79%	9.43%
Cost of Funds	4.00%	3.75%	2.27%
Return on Assets ("ROA") ⁽⁸⁾	0.4%	3.7%	1.0%
Non-GAAP "Core Earnings" ROA ⁽⁹⁾	0.4%	3.7%	1.0%
Return on Common Equity ("ROCE") ⁽¹⁰⁾	6.3%	65.2%	16.7%
Non-GAAP "Core Earnings" ROCE ⁽¹¹⁾	6.3%	65.2%	16.7%
Per Common Share			
GAAP diluted earnings per common share	\$0.11	\$1.10	\$0.29
Non-GAAP "Core Earnings" diluted earnings per common share ^(7,12)	\$0.11	\$1.10	\$0.29
Average common and common equivalent shares outstanding (millions)	229	238	254

Sallie Mae vs Federal Student Loans

		Sallie Mae	Federal Student Loan Program ¹⁹	
Undergraduate	Loan Program	Smart Option Student Loan	Federal Direct Loan (Subsidized & Unsubsidized)	Parent Plus
	Loan Limits	\$1,000 – Cost of Attendance No aggregate limits	Yr. 1 - \$5,500 (\$3,500 > subsidized) Yr. 2 - \$6,500 (\$4,500 > subsidized) Yr. 3+ - \$7,500 (\$5,500 > subsidized) \$31,000 Aggregate (\$23,000 > subsidized)	No Limit
	Interest Rates (as of 11/6/23)	Variable: S + 1.250% - S + 12.375% Fixed: 4.750% - 16.530%	5.500%	8.050%
	Origination Fees (as of 11/6/23)	0%	1.057%	4.228%
	Repayment Types	IO / Fixed Pay / Deferred	Deferred	Immediate P&I / Deferred
	Repayment Terms	10 – 15 Years	10 Years (extended repayment 20 or 25 years)	10 Years (extended repayment 20 or 25 years)
Graduate	Loan Program	Graduate Product Suite (MBA, Medical, Dental, Law, Health Professions, General Grad)	Federal Direct Loan (Unsubsidized only)	Graduate Plus
	Loan Limits	\$1,000 – Cost of Attendance No aggregate limits	\$20,500 Per Year \$138,500 Aggregate (\$65,000 > subsidized – including undergraduate subsidized only)	No Limit
	Interest Rates (As of 11/6/23)	Variable: S+ 1.750% - S + 11.625% Fixed: 5.240% - 15.000%	7.050%	8.050%
	Origination Fees (As of 11/6/23)	0%	1.054%	4.228%
	Repayment Types	IO / Fixed Pay / Deferred	Deferred	Deferred
	Repayment Terms	15 Years – MBA, HP, General Grad, Law 20 Years – Medical & Dental	10 Years (extended repayment 20 or 25 years)	10 Years (extended repayment 20 or 25 years)

Non-GAAP “Core Earnings” to GAAP Reconciliation

(\$ Thousands except per share amounts)

Non-GAAP “Core Earnings” adjustments to GAAP:

	Quarters Ended		
	September 30, 2023	June 30, 2023	September 30, 2022
GAAP net income	\$29,365	\$265,065	\$75,172
Preferred stock dividends	\$4,642	\$4,274	\$2,531
GAAP net income attributable to SLM Corporation common stock	\$24,723	\$260,791	\$72,641
Adjustments:			
Net impact of derivative accounting ⁽⁷⁾	-	-	-
Net tax expense ⁽¹²⁾	-	-	-
Total non-GAAP “Core Earnings” adjustments to GAAP	-	-	-
Non-GAAP “Core Earnings” attributable to SLM Corporation common stock	\$24,723	\$260,791	\$72,641
GAAP diluted earnings per common share	\$0.11	\$1.10	\$0.29
Derivative adjustments, net of tax	-	-	-
Non-GAAP “Core Earnings” diluted earnings per common share	\$0.11	\$1.10	\$0.29

Footnotes

1. Source: Enterval CBA Report for Q2 2023 as of June 2023. Based on Full Market.
2. Based on internal Company statistics.
3. The information on this page constitutes forward-looking statements. See page 2 of this Presentation for a cautionary note regarding forward-looking statements.
4. Enrollment data from NCES Digest of education statistics (various tables). Cost data included from College Board 2023 Trends in College Pricing and 2023 Trends in Student Aid.
5. Source: Survey conducted by Market Vision Research (<https://www.mv-research.com/>). Data collected between 1/20 and 1/27/2023.
6. Represents the higher credit score of the cosigner or the borrower.
7. 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 “Core Earnings” are not defined terms within GAAP and may not be comparable to similarly tilted measures reported by other companies. See page 27 for a reconciliation of GAAP and “Core Earnings.”
8. 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.
9. We calculate and report our non-GAAP “Core Earnings” Return on Assets (“Core Earnings ROA”) as the ratio of (a) non-GAAP “Core Earnings” net income (loss) numerator (annualized) to (b) the GAAP total average assets denominator.
10. We calculate and report our Return on Common Equity (“ROCE”) as the ratio of (a) GAAP net income (loss) 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.
11. We calculate and report our non-GAAP “Core Earnings” Return on Common Equity (“Core Earnings ROCE”) as the ratio of (a) non-GAAP “Core Earnings” net income (loss) 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.
12. Non-GAAP “Core Earnings” tax rate is based on the effective tax rate at Sallie Mae Bank where the derivative instruments are held.
13. Originations represent loans that were funded or acquired during the period presented.
14. Pool characteristics as of the Statistical Cutoff Date for the respective transaction.
15. The Company’s expectation and ability to pay a quarterly cash dividend on its common stock in the future will be subject to the determination by, and discretion of, the Company’s Board of Directors, and any determination by the Board will be based on an evaluation of the Company’s earnings, financial condition and requirements, business conditions, capital allocation determinations, and other factors, risks and uncertainties.
16. Smart Option loans considered in ‘P&I Repayment’ only if borrowers are subject to full principal and interest payments on the loan.
17. Overcollateralization for Class A & B bonds.
18. Estimated based on a variety of assumptions concerning loan repayment behavior. Actual prepayment rate may vary significantly from estimates.
19. Source: U.S. Department of Education, Office of Federal Student Aid, <https://studentaid.ed.gov/sa/types/loans>.
20. Statistic considers portfolio Private Education Loans only and is annualized for the first nine months of 2023.
21. Reference to The White House Fact sheet, located at <https://www.whitehouse.gov/briefing-room/statements-releases/2023/06/30/fact-sheet-president-biden-announces-new-actions-to-provide-debt-relief-and-support-for-student-loan-borrowers/>
22. Reference to the IDR Fact Sheet, located at <https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/idrfactsheetfinal.pdf>
23. As provided by the Biden-Harris Administration and the U.S. Department of Education.
24. Reference to the Federal Student Aid information located here: <https://studentaid.gov/manage-loans/lower-payments/get-temporary-relief>