SLM Corporation
Earnings Presentation
First Quarter 2020

April 23, 2020

Forward-Looking Statements and Disclaimer

Cautionary Note Regarding Forward-Looking Statements

The following information is current as of April 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 ended March 31, 2020, the Form 10-Q for the quarter ended March 31, 2020 filed with the Securities and Exchange Commission ("SEC") on April 22, 2020, 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 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, earnings, 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, 2019 (filed with the SEC on Feb. 28, 2020) 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 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 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 "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 "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 –'Core Earnings'" in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 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".

Highlights

Earnings

- Q1 2020 GAAP diluted earnings per common share increased 148% over Q1 2019
- Net interest income was $400 million in Q1 2020, a 1% decrease compared to Q1 2019
- $3.1 billion Private Education Loans sold for a gain of $239 million

Assets

- Originated $2.3 billion in Private Education Loans in Q1 2020 (+8% vs. Q1 2019)
- Private Education Loan Portfolio of $20.2 billion (-6% vs. Q1 2019)
- Average yield on Private Education Loans decreased 64 basis points to 8.86% in Q1 2020

Capital

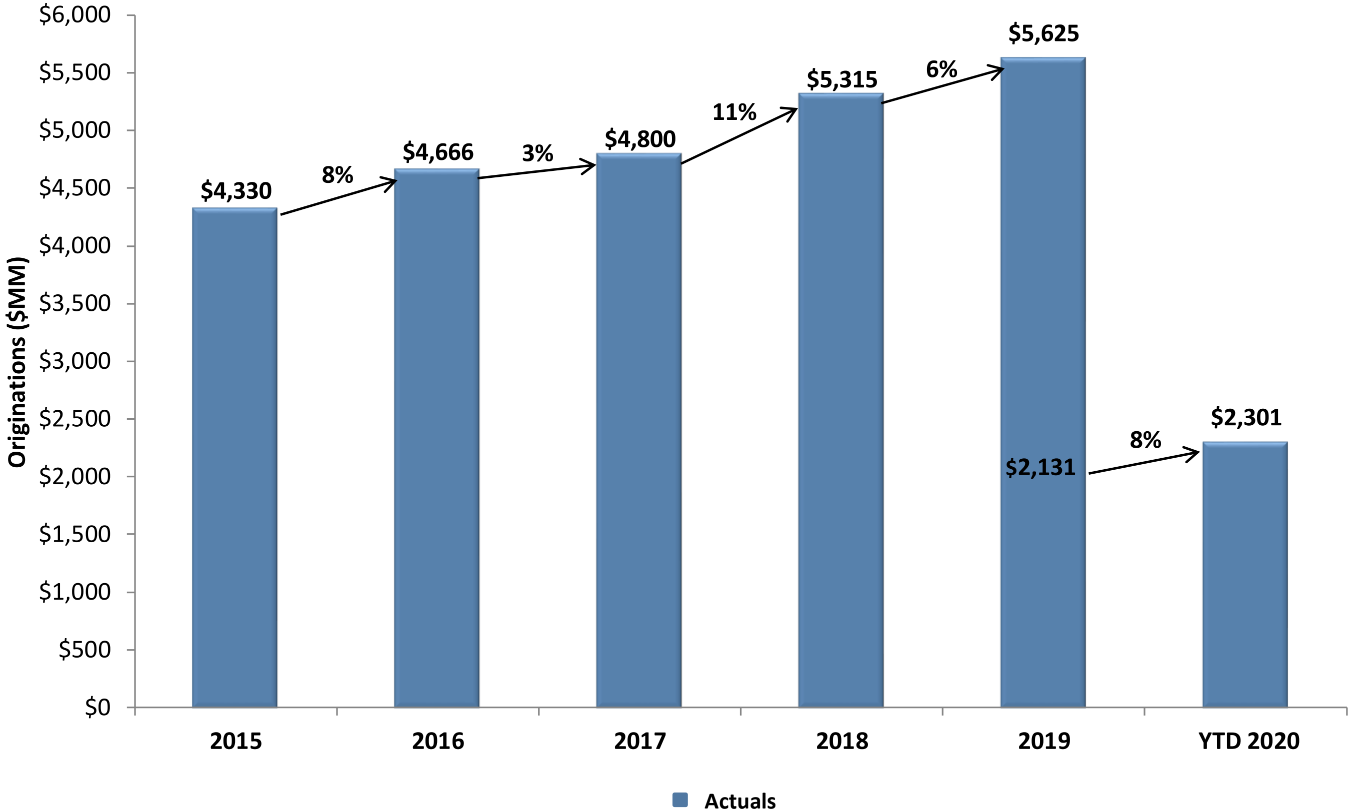
- Total Risk-Based Capital Ratio of 13.7% at March 31, 2020
- Common Equity Tier 1 Risk-Based Capital Ratio of 12.4% at March 31, 2020
- Paid common stock dividend of $0.03 per share in Q1 2020
- Completed the 2019 share authorization program by repurchasing $33 million in common stock at an average price of $11.58
- Entered into an Accelerated Share Repurchase Agreement on March 10, 2020 for $525 million in common stock
    - Initially repurchased 44.9 million shares on March 11, 2020 under this Agreement

Quarterly Financial Highlights[3]

	1Q 2020	4Q 2019	1Q 2019
Income Statement ($ millions)			
Total interest income	$575	$600	$566
Total interest expense	175	181	164
Net interest income	400	419	402
Less: provisions for credit losses	61	98	64
Total non-interest income (loss)	292	(4)	16
Total non-interest expenses	147	142	140
Income tax expense	121	35	56
Net income	362	141	158
Preferred stock dividends	3	4	4
Net income attributable to common stock	359	137	154
"Core Earnings" adjustments to GAAP[(1)]	(32)	4	(3)
Non-GAAP "Core Earnings" net income attributable to common stock[(1)]	327	142	151
Ending Balances ($ millions)			
Private Education Loans, net	$20,176	$22,897	$21,577
FFELP Loans, net	765	784	829
Personal Loans, net	747	984	1,093
Credit Cards, net	7	4	-
Deposits	$24,446	$24,284	$19,664
-Brokered	13,658	13,809	10,576
-Retail and other	10,788	10,475	9,088

	1Q 2020	4Q 2019	1Q 2019
Key Performance Metrics			
Net Interest Margin	5.08%	5.41%	6.28%
Yield- Total interest-earning assets	7.30%	7.75%	8.85%
-Private Education Loans	8.86%	9.12%	9.50%
-Personal Loans	12.11%	12.39%	11.81%
Cost of Funds	2.41%	2.52%	2.81%
Return on Assets ("ROA")[(5)]	4.6%	1.8%	2.4%
Non-GAAP "Core Earnings" ROA[(6)]	4.2%	1.8%	2.3%
Return on Common Equity ("ROCE")[(7)]	67.4%	19.2%	23.9%
Non-GAAP "Core Earnings" ROCE[(8)]	61.4%	19.8%	23.4%
Per Common Share			
GAAP diluted earnings per common share	$0.87	$0.32	$0.35
Non-GAAP "Core Earnings" diluted earnings per common share[(1)]	$0.79	$0.33	$0.34
Average common and common equivalent shares outstanding (millions)	413	425	438

Private Student Loan Originations[9]



Originations Statistics	Q1 2020	Q1 2019
Originations($MM)	$2,301	$2,131
% Cosigned	88%	89%
% In School Payment	58%	58%
Average FICO at Approval[10]	746	747
YoY Origination Growth Rate	8%	

Credit Performance[11,12,13]

Private Education Loans

($ Thousands)	Quarters Ended					
	March 31, 2020		December 31, 2019		March 31, 2019	
	Balance	%	Balance	%	Balance	%
Loans in repayment and percentage of each status:						
Loans current	$ 14,516,211	96.8%	$ 16,315,651	97.2%	$ 14,927,591	97.5%
Loans delinquent 31-60 days	254,625	1.7%	288,051	1.7%	216,295	1.4%
Loans delinquent 61-90 days	135,896	0.9%	121,302	0.7%	104,199	0.7%
Loans delinquent greater than 90 days	81,613	0.6%	62,666	0.4%	62,475	0.4%
Total private education loans in repayment	$ 14,988,345	100.0%	$ 16,787,670	100.0%	$ 15,310,560	100.0%
Loans delinquent 30+ days (as a % of loans in repayment)		3.2%		2.8%		2.5%
Loans in forbearance	$ 989,925		$ 714,516		$ 610,209	
Loans in forbearance as a % of loans in repayment and forbearance		6.2%		4.1%		3.8%
Allowance as a % of the ending loans in repayment		10.1%		2.2%		1.9%
Net charge-offs as a percentage of average loans in repayment (annualized)		1.05%		1.24%		0.89%

Personal Loans

($ Thousands)	March 31, 2020		December 31, 2019		March 31, 2019	
	Balance	%	Balance	%	Balance	%
Loans in repayment and percentage of each status:						
Loans current	$ 856,802	97.4%	$ 1,023,517	97.6%	$ 1,141,664	98.2%
Loans delinquent 31-60 days	11,579	1.3%	9,435	0.9%	9,224	0.8%
Loans delinquent 61-90 days	4,355	0.5%	7,172	0.7%	5,991	0.5%
Loans delinquent greater than 90 days	7,451	0.8%	8,883	0.8%	5,995	0.5%
Total personal loans in repayment	$ 880,187	100.0%	$ 1,049,007	100.0%	$ 1,162,874	100.0%
Loans delinquent 30+ days (as a % of loans in repayment)		2.6%		2.4%		1.8%
Allowance as a % of the ending loans in repayment		17.0%		6.3%		6.1%
Net charge-offs as a percentage of average loans in repayment (annualized)		7.27%		6.82%		4.88%

Footnotes

1. Derivative Accounting: we provide "Core Earnings" because it is one of several measures management uses to evaluate management performance and allocate corporate resources. "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.

2. "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 "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 page 8 for a reconciliation of GAAP and "Core Earnings".

4. N/A

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 ("Core Earnings ROA") as the ratio of (a) "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 ("Core Earnings ROCE") as the ratio of (a) "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.

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. The information on this page constitutes forward-looking statements. See page 2 of this Presentation for a cautionary note regarding forward-looking statements.

“Core Earnings” to GAAP Reconciliation

	Quarters Ended		
	Mar. 31, 2020	Dec. 31, 2019	Mar. 31, 2019
(Dollars in thousands, except per share amounts)			
“Core Earnings” adjustments to GAAP:			
GAAP net income……………………………………………	$ 362,173	$ 141,352	$ 158,189
Preferred stock dividends …………………………………	3,464	3,885	4,468
GAAP net income attributable to SLM Corporation common stock……………………………………………	$ 358,709	$ 137,467	$ 153,721
Adjustments:			
Net impact of derivative accounting[1] …………………	(42,312)	5,818	(4,202)
Net tax expense (benefit)[2] ………………………………	(10,330)	1,422	(1,027)
Total “Core Earnings” adjustments to GAAP ………	(31,982)	4,396	(3,175)
"Core Earnings" attributable to SLM Corporation common stock……………………………………	$ 326,727	$ 141,863	$ 150,546
GAAP diluted earnings per common share …………	$ 0.87	$ 0.32	$ 0.35
Derivative adjustments, net of tax ……………………	(0.08)	0.01	(0.01)
“Core Earnings” diluted earnings per common share …..	$ 0.79	$ 0.33	$ 0.34