SLM Corporation Earnings Presentation Second Quarter 2021

July 22, 2021

Forward-Looking Statements and Disclaimer

Cautionary Note Regarding Forward-Looking Statements

The following information is current as of July 21, 2021 (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 June 30, 2021, the Form 10-Q for the quarter ended June 30, 2021 filed with the Securities and Exchange Commission ("SEC") on July 21, 2021, 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 2021 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; 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, 2020 (filed with the SEC on Feb. 25, 2021) 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 "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" 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 "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 –'Core Earnings'" in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 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".

Second quarter performance continues progress toward 2021 targets

As Sallie Mae begins to look beyond the challenges from COVID-19, we expect continued strong performance as the economy normalizes.

Strengthening Economy

- The average unemployment rate for the over 25 year-old college graduate population improved to 3.3% in Q2 2021 from 3.8% in Q1 2021.[15]
- 99% of colleges and universities indicate they will operate on a full residential or hybrid residential experience in the fall.[17]

Strong Strategic Execution

- Earnings driven by core business and focus on non-interest expense management.
- Originations, delinquency, non-interest expense, and net charge-off performance better than our internal business plan in Q2 2021.
- Loan Sale/Share Repurchase strategy has led to a 19% reduction in share count since Jan. 1, 2021 and a 28% reduction since the initiative began in January of 2020.

Second quarter success leads to increase in full-year 2021 guidance

- Strong execution in our core business and capital strategies in the first quarter expected to continue throughout the year.
- Improved credit outlook and non-reoccurring income drove improvements to GAAP EPS guidance.

Clear Strategy to Ensure Appropriate Valuation

- Maximize the profitability and growth of our core business
- Optimize the value of our brand and our attractive client base
- Better inform the external narrative about student lending and Sallie Mae
- Maintain a rigorous and predictable capital allocation and return program to create shareholder value

Maximize the Profitability and Growth of our Core Business

Revenue

- GAAP Net Income of $140 million in Q2 2021, compared to $(85) million in Q2 2020.
- Originated $533 million in Private Education Loans in Q2 2021 (7% increase vs. Q2 2020).

Non-interest Expenses

- Non-interest expenses of $128 million in Q2 2021, which is 10% lower than the $142 million in Q2 2020.

Earnings/Capital

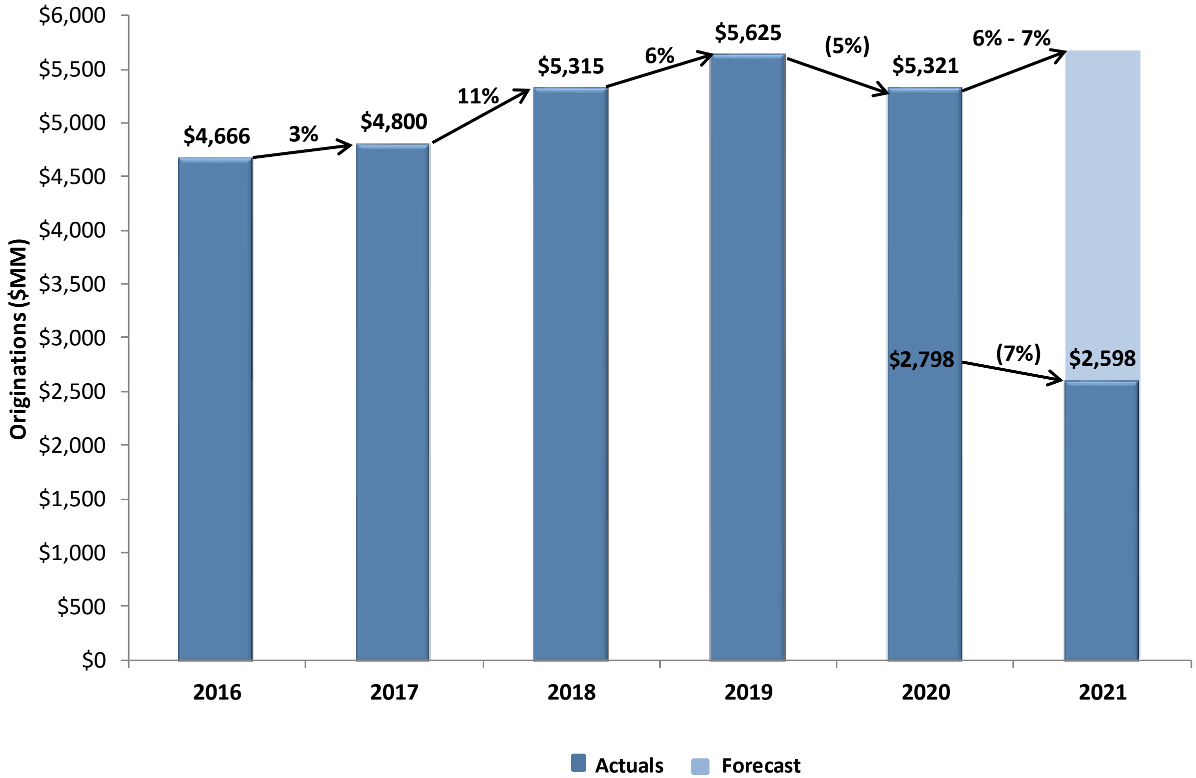
- Q2 2021 GAAP diluted earnings per common share of $0.44.
- Paid common stock dividend of $0.03 per share in Q2 2021.
- Repurchased 23 million shares of stock in Q2 2021. During the first two quarters of 2021, 72 million shares have been repurchased, which is a 19% decrease in shares outstanding since the beginning of 2021.
- Of the original $1.25 billion authorization under the 2021 share repurchase program that expires on Jan. 26, 2023, the company had $295 million in capacity remaining under the program as of June 30, 2021.

Quarterly Financial Highlights[3]

	2Q 2021	1Q 2021	2Q 2020
Income Statement ($ Millions)			
Total interest income	$435	$436	$485
Total interest expense	96	105	136
Net Interest Income	339	331	349
Less: provisions for credit losses	70	(226)	352
Total non-interest income	52	413	29
Total non-interest expenses	128	126	142
Income tax expense (benefit)	53	203	(31)
Net income (loss)	140	641	(85)
Preferred stock dividends	1	1	3
Net income (loss) attributable to common stock	139	640	(88)
"Core Earnings" adjustments to GAAP[(1)]	5	8	6
Non-GAAP "Core Earnings" net income (loss) attributable to common stock[(1)]	144	648	(82)
Ending Balances ($ Millions)			
Private Education Loans held for investment, net	$19,389	$19,633	$19,793
FFELP Loans held for investment, net	715	725	752
Personal Loans held for investment, net	—	—	609
Credit Cards held for investment, net	11	10	10
Deposits	$21,124	$22,803	$23,592
Brokered	11,521	12,146	12,749
Retail and other	9,603	10,657	10,843

	2Q 2021	1Q 2021	2Q 2020
Key Performance Metrics			
Net Interest Margin	4.70%	4.40%	4.55%
Yield—Total Interest-earning assets	6.03%	5.80%	6.33%
Private Education Loans	8.22%	8.22%	8.33%
Personal Loans	—%	—%	12.54%
Credit Cards	6.64%	0.78%	(9.34)%
Cost of Funds	1.43%	1.53%	1.91%
Return on Assets ("ROA")[(5)]	1.9%	8.3%	(1.1)%
Non-GAAP "Core Earnings" ROA[(6)]	2.0%	8.4%	(1.0)%
Return on Common Equity ("ROCE")[(7)]	26.4%	101.5%	(21.0)%
Non-GAAP "Core Earnings" ROCE[(8)]	27.4%	102.8%	(19.5)%
Per Common Share			
GAAP diluted earnings (loss) per common share	$0.44	$1.75	$(0.23)
Non-GAAP "Core Earnings" diluted earnings (loss) per common share[(1)]	$0.45	$1.77	$(0.22)
Average common and common equivalent shares outstanding (millions)	317	366	375

Private Education Loan Originations[9]



Originations Statistics	Q2 2021	Q2 2020
Originations($MM)	$533	$497
% Cosigned	76%	74%
% In School Payment	59%	59%
Average FICO at Approval[10]	750	747
YoY Origination Growth Rate	7%	

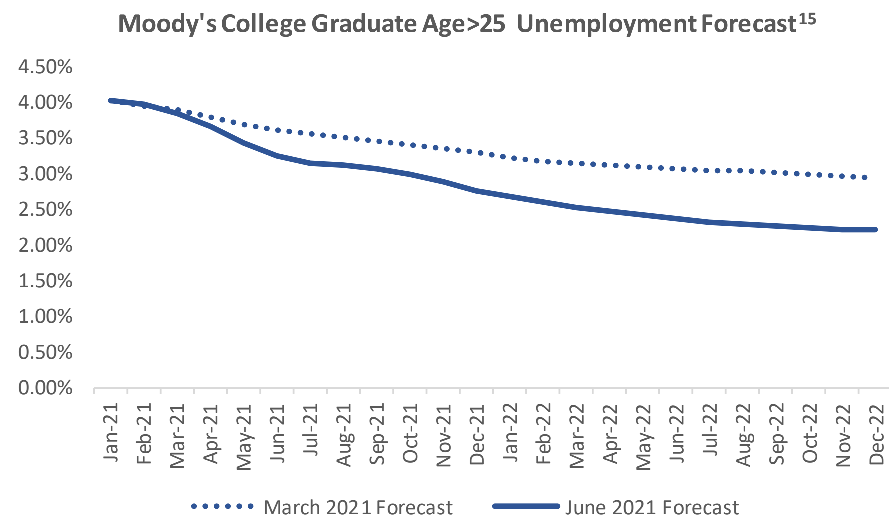
Credit Performance[11,12,13,16]

Private Education Loans Held for Investment	Quarters Ended					
	June 30, 2021		**March 31, 2021**		**June 30, 2020**	
($ Thousands)	**Balance**	**%**	**Balance**	**%**	**Balance**	**%**
Loans in repayment and percentage of each status:						
Loans current	$ 14,514,659	97.9%	$ 14,471,427	97.9%	$ 14,190,329	97.8%
Loans delinquent 30-59 days	162,538	1.1%	152,743	1.0%	166,584	1.1%
Loans delinquent 60-89 days	85,451	0.6%	86,390	0.6%	99,653	0.7%
Loans 90 days or greater past due	62,727	0.4%	67,379	0.5%	56,157	0.4%
Total private education loans in repayment	$ 14,825,375	100.0%	$ 14,777,939	100.0%	$ 14,512,723	100.0%
Loans delinquent 30+ days (as a percentage of loans in repayment)		2.1%		2.1%		2.2%
Loans in forbearance	$ 453,175		$ 570,227		$ 1,492,695	
Loans in forbearance as a % of loans in repayment and forbearance		3.0%		3.7%		9.3%
Allowance as a % of the ending loans in repayment		7.8%		7.9%		12.1%
Net charge-offs as a % of average loans in repayment (annualized)		1.16%		1.29%		0.75%

Provisions for Credit Losses Q2 2021

Consolidated Statements of Income
Provisions for Credit Losses Reconciliation

(Dollars in thousands)	Quarter Ended June 30, 2021
Private Education Loan provisions for credit losses:	
Provisions for credit losses.	$ (463)
Provisions for unfunded loan commitments.	69,960
Total Private Education Loan provisions for credit losses.	69,497
Other impacts to the provisions for credit losses:	
FFELP Loans.	(2)
Credit Cards.	182
Total.	180
Provisions for credit losses reported in consolidated statements of income	$ 69,677



- Moody's College Graduate Age>25 unemployment forecast continues to improve due an improvement in the general outlook.
- The commitments for new loans drove $70 million in additional provisions. Additional commitments for peak season will continue to require higher provision build in the third quarter.

Guidance[14]

For the full-year 2021, the company expects the following:

Metrics	2021 Full-Year Guidance
GAAP diluted earnings per share	$3.15-$3.25
Private Education Loan originations year-over-year growth	6-7%
Total loan portfolio net charge-offs	$ 215 million - $225 million
Non-interest expenses	$ 525 million - $535 million

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" is not a defined term 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 13 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 (loss) 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 (loss) 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 (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.
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 (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.
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. Source based on U.S. Bureau of Labor Statistics (BLS): Current Population Survey (CPS); Moody's Analytics Forecasted. March Base- College based on Baseline Scenario (March 2021): Household Survey: Unemployment Rate: College Grads, (%, SA) (FLBRCG.IUSA) as of 3/10/21. June Base- College based on Baseline Scenario (June 2021): Household Survey: Unemployment Rate: College Grads, (%, SA) (FLBRCG.IUSA) as of 6/10/21.
16. For some students, going back to school in the fall was not an option because of the pandemic, or for other reasons. Therefore, some students are taking a “gap year” before returning to school. 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 payments. 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 received such 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 received such extension of time from us to re-enroll before beginning their grace period. At June 30, 2021, the loans in the “in forbearance” category above include $23 million of Private Education Loans whose borrowers did not return to school in the fall of 2020 and who received an extension of time from us to re-enroll before beginning their grace period. At June 30, 2021, the loans in the “in repayment” category above include $479 million of Private Education Loans whose borrowers did not return to school in the fall of 2020 and who received an extension of time from us to re-enroll before beginning their grace period.
17. Source: Internal survey of 566 of our top schools by our Relationship Management team as of June 2, 2021.

"Core Earnings" to GAAP Reconciliation

Dollars in thousands, except per share amounts	Quarters Ended		
	Jun.30, 2021	Mar. 31, 2021	Jun.30, 2020
"Core Earnings" adjustments to GAAP:			
GAAP net income (loss)	$140,201	$641,207	$(85,211)
Preferred stock dividends	$1,192	$1,201	$2,478
GAAP net income (loss) attributable to SLM Corporation common stock	**$139,009**	**$640,006**	**$(87,689)**
Adjustments:			
Net impact of derivative accounting[1]	$6,949	$10,863	$7,853
Net tax expense (benefit)[2]	$1,681	$2,627	$1,918
Total "Core Earnings" adjustments to GAAP	$5,268	$8,236	$5,935
"Core Earnings" (loss) attributable to SLM Corporation common stock	**$144,277**	**$648,242**	**$(81,754)**
GAAP diluted earnings (loss) per common share	$0.44	$1.75	$(0.23)
Derivative adjustments, net of tax	$0.01	$0.02	$0.01
"Core Earnings" diluted earnings (loss) per common share	**$0.45**	**$1.77**	**$(0.22)**