SLM CORPORATION INVESTOR PRESENTATION

ABS VEGAS 2020

February 24-25, 2020

Forward-Looking Statements and Disclaimer

Cautionary Note Regarding Forward-Looking Statements

The following information is current as of January 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 and full-year ended December 31, 2019, filed with the Securities and Exchange Commission ("SEC") on January 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: the Company's expectation and ability to pay a quarterly cash dividend on its common stock in the future, subject to the determination by, and discretion of, 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 and earnings growth 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, 2018 (filed with the SEC on Feb. 28, 2019) and subsequent filings with the SEC; 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 September 30, 2019 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".

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Well-Positioned for Long-Term Success and Value Creation

MARKET LEADING BRAND

- Leader of the education finance market
- Industry leading 54% market share(1)
- Over 2,400 actively managed university relationships across the U.S.
- Appear on 98% of preferred lender lists

ATTRACTIVE PRODUCTS

- Products designed to provide customers success through higher education
- Diverse portfolio offers financing solutions for all forms of higher education, including undergraduate, parent, medical, dental, MBA, law, health professions and general studies

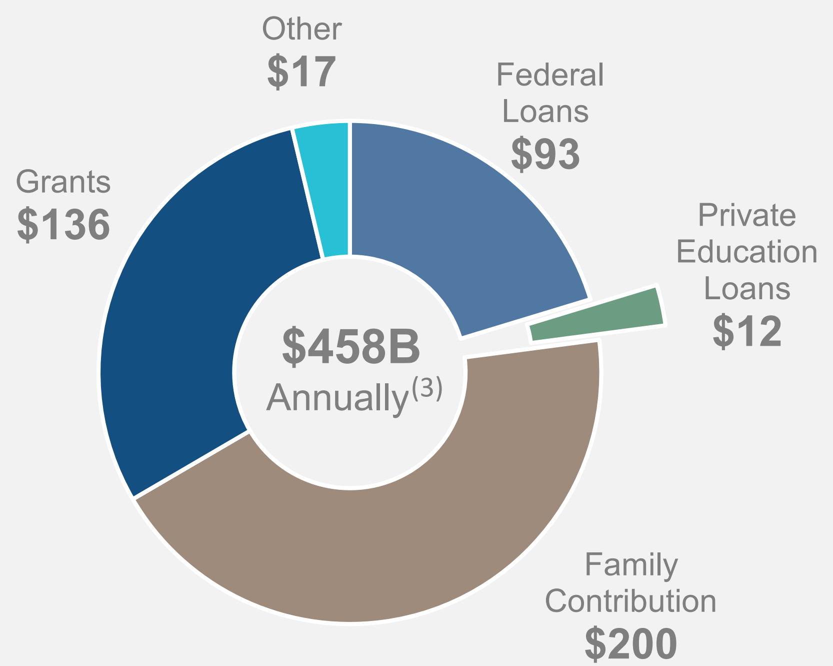
EXCEPTIONAL SERVICE

- Largest salesforce in the industry
- Complaints per customer decreased 42% over the last 4 years(2)
- Customer satisfaction reached an all-time high of 80% in 2019(2)
- Sallie Mae has been recognized by J.D. Power by providing “An Outstanding Customer Service Experience” for Phone support(3)

Providing access, planning outcomes, and helping students and families responsibly fund their future

(1) *Source: MeasureOne CBA Report as of September 2019*
(2) *Based on internal Company statistics*
(3) *J.D. Power 2019 Certified Customer Service Program recognition is based on successful completion of an evaluation and exceeding a customer satisfaction benchmark through a survey of recent servicing interactions. For more information, visit www.jdpower.com/ccc*

Serving Customers in an Attractive and Growing Market



Academic Year 2018 / 2019

Expanding Addressable Market

- Private Education Loans represent 2-3% of the overall spend in higher education annually
- Total spend on higher education grows 2-3% annually primarily due to increases in cost of attendance

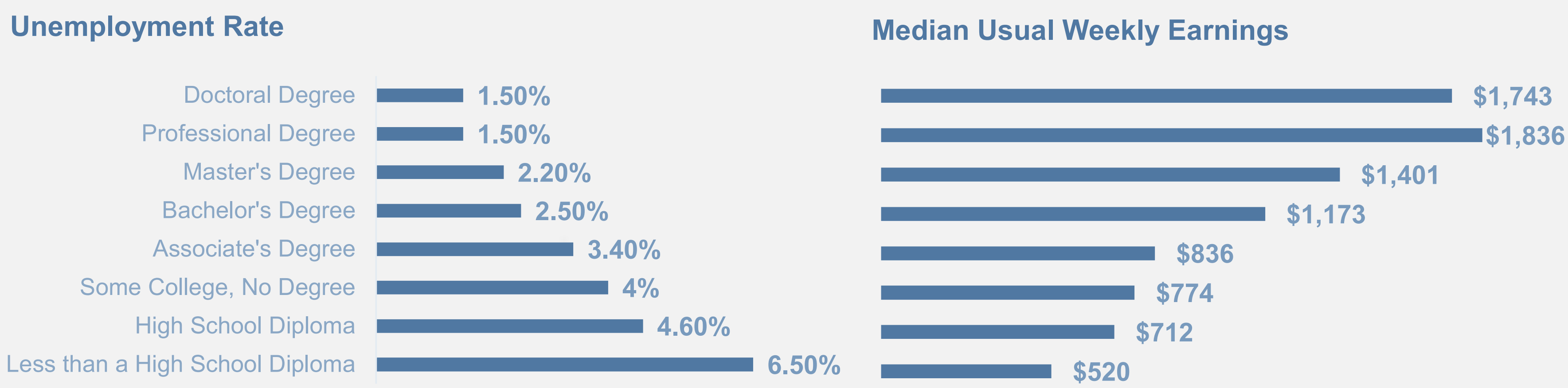
Higher Education Becoming More Prevalent

- Attainment of a four-year college degree or more is up 11% between 2012 and 2017[1]
- 58% of students graduated with student loans in AY 2017-2018[2]
- Of the 58% of bachelor's degree recipients who graduated with student loans, the average debt amount was $29,000[2]

(1) *U.S. Bureau of Labor Statistics, Current Population Survey*
(2) *Source: Trends in Student Aid,© 2019 The College Board, www.collegeboard.org, U.S. Department of Education 2019*
(3) *Source: Total post-secondary education spending is estimated by Sallie Mae determining the full-time equivalents for both graduates and undergraduates and multiplying by the estimated total per person cost of attendance for each school type. In doing so, we utilize information from the U.S. Department of Education, National Center for Education Statistics, Projections of Education Statistics to 2027 (NCES 2019, February 2019), The Integrated Postsecondary Education Data System (IPEDS), College Board -Trends in Student Aid 2016. © 2016 The College Board, www.collegeboard.org, College Board -Trends in Student Aid 2019. © 2019 The College Board, www.collegeboard.org, College Board -Trends in Student Pricing 2019. © 2019 The College Board, www.collegeboard.org, National Student Clearinghouse - Term Enrollment Estimates, and Company analysis. 2019 Private Education Loan market assumptions use The College Board-Trends in Student Aid 2016 © 2016 trends and College Board-Trends in Student Aid 2019 © 2019 data. Other sources for these data points also exist publicly and may vary from our computed estimates. NCES, IPEDS, and College Board restate their data annually, which may cause previous reports to vary. We have also recalculated figures in our Company analysis to standardize all costs of attendance to dollars not adjusted for inflation. This has a minimal impact on historically-stated numbers*

Higher Education Value Proposition

Unemployment rates and earnings by educational attainment, 2017[1]



Obtaining a College Degrees Prepares Students for Success

- The unemployment rate for individuals age 25 years and over with four-year college degrees was 1.8%, compared to 3.7% for those with only a high school diploma[2]
- Students who earn a four-year college degree earn 64.7% more than high school graduates[2]

(1) U.S. Bureau of Labor Statistics, Current Population Survey
(2) Source: U.S. Bureau of Labor Statistics- "More education: Lower unemployment, higher earnings" as of December 2019

Sallie Mae is an ESG Company

Serving our Customers

- Financing assistance to 1.2 million families since 2014 to provide access to postsecondary education and opportunities for success
- Policies help to ensure that 98% of customers are effectively managing their payments
- Sallie Mae has been recognized by J.D. Power by providing "An Outstanding Customer Service Experience" for Phone support[(1)]

Providing Financial Education & Assistance

- Free Scholarship Search tool with 5 million scholarships worth more than $25 billion
- 20,000 students earned at least 1 scholarship via our search tool last year and received $61 million
- $785,000 in Sallie Mae Bridging the Dream Scholarships awarded since 2016, with $192,000 of that directly raised by employees

Committed to an Ethical & Diverse Workplace

- Board of Directors composition is 33% women, earning the Winning "W" Company designation from Women on Boards
- Marketplace Ethics Award from the Better Business Bureau
- Listing among America's Best Midsize Employers by Forbes

Building Strong Communities

- Giving back through employee volunteer work and community investments
- $1.06 million in total charitable giving in 2019
- Employee Volunteer Program that encourages employees to participate in activities they are passionate about

Committed to operating with integrity and engaging with stakeholders on key topics

(1) J.D. Power 2019 Certified Customer Service Program recognition is based on successful completion of an evaluation and exceeding a customer satisfaction benchmark through a survey of recent servicing interactions. For more information, visit www.jdpower.com/ccc

Product suite tailored to meet the needs of undergraduate and graduate students

- Introduced Smart Option Student Loan in 2009
- Flexible repayment options while in school
- Fixed and Variable rates for repayment
- Differentiated products for undergraduates and graduate students

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 indexed to LIBOR
- 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
- Private education loans are typically non-dischargeable in bankruptcy, unless a borrower can prove that repayment of the loan would impose an "undue hardship“

Diverse Product Portfolio Driving Increased Shareholder Value

Medical

Health Professions

Dental

General Studies

MBA

Undergraduate

Law

Parent

- Increased Total Net Private Education Loan Portfolio 13% in 2019 to $22.9B at 12/31/19
- Debuting new products designed to meet the needs of all students
- Developing unique and innovative products to diversify portfolio

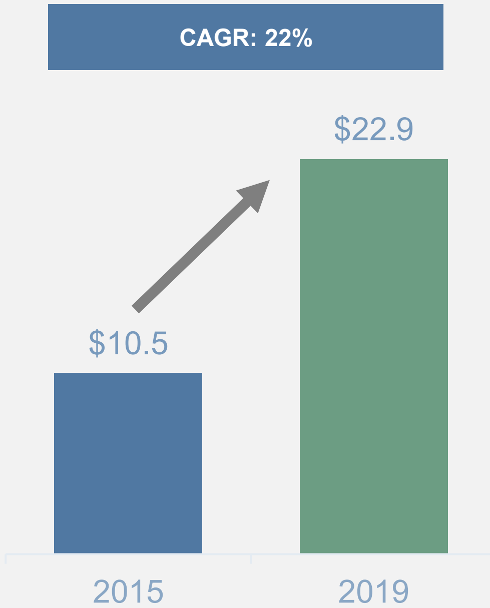
	Undergraduate	Graduate	Parent
RATE TYPE	Variable & Fixed	Variable & Fixed	Variable & Fixed
INTEREST RATE RANGES	Variable: LIBOR + 1.250% - LIBOR + 9.875% Fixed: 5.00% - 12.875%	Variable: LIBOR + 2.25% - LIBOR + 7.88% Fixed: 5.75% - 10.50%	Variable: LIBOR + 3.50% - LIBOR + 9.88% Fixed: 5.75% - 12.88%
REPAYMENT OPTION	Deferred, Interest Only & Fixed Repayment	Deferred, Interest Only & Fixed Repayment	Interest Only, Full P&I
REPAYMENT TERM	5-15 years	20 years for Medical and Dental 15 years for Remaining Disciplines	10 years
GRACE PERIOD	6 months	6-36 months	None
INTERNSHIP / RESIDENCY DEFERMENT	Up to 60 months	Up to 48 months	None
FEATURES	ACH discount | FICO Score | Cosigner Release | GRP | Study Starter | Student Death & Disability Release	ACH discount | FICO Score | Cosigner Release | GRP | Student Death & Disability Release	ACH discount | FICO Score | Study Starter | Student Death & Disability Release

Conservative underwriting has contributed to consistent credit performance

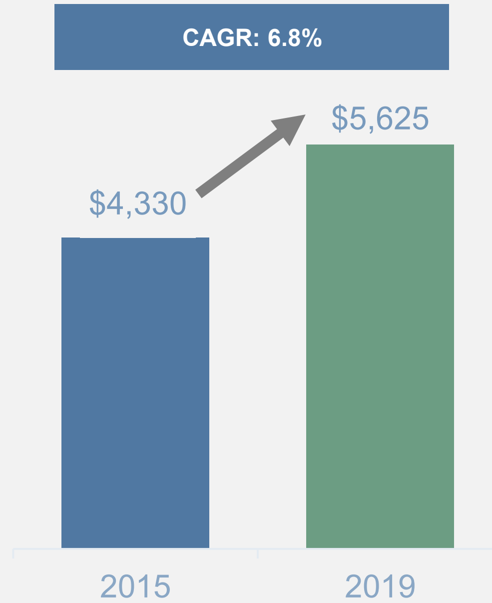
- Proprietary Scorecard built with Experian Decision Analytics
- Initial credit screen removes applicants with low FICO scores or prior derogatory trades on file
- Manually review ~8% of applications
- Through-the-cycle data was used to develop our conservative underwriting models

Successfully Executing Strategy and Growing Originations

PRIVATE EDUCATION LOANS OUTSTANDING, NET



ORIGINATIONS

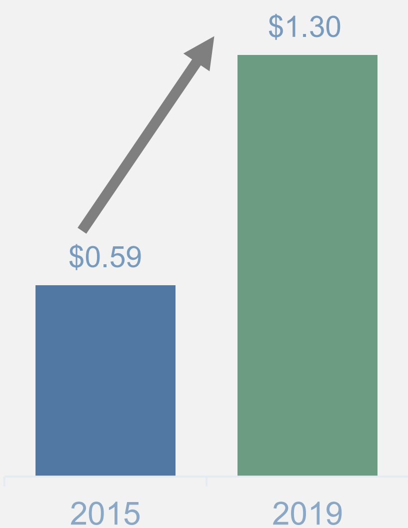


Expect to maintain momentum and continue originations growth in 2020

Delivering Strong Financial Results

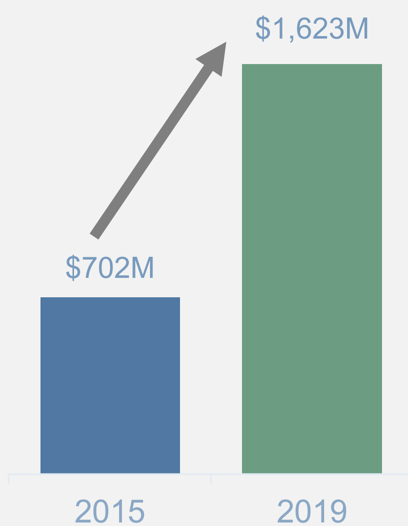
GAAP DILUTED EPS

CAGR: 22%



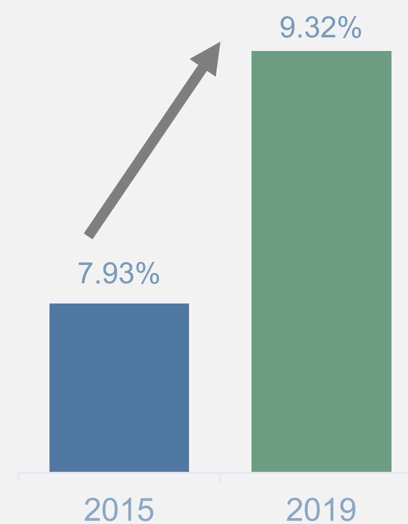
NET INTEREST INCOME

CAGR: 23%



PRIVATE EDUCATION LOAN YIELD

BPS Improvement: 139bps

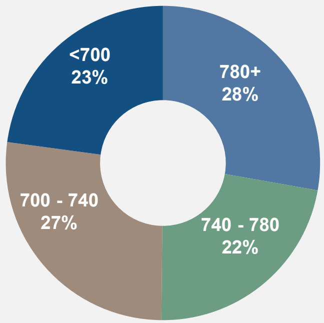


2019 Financial Highlights (Compared to 2018)

- 2019 GAAP diluted EPS increased 21% to $1.30
- 2019 net interest income increased 15% to $1.6B
- Average yield on Private Education Loans increased 22 basis points to 9.32%

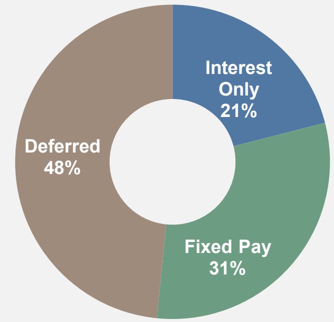
High Quality Private Education Loan Portfolio

Customer FICO at Original Approval[1]



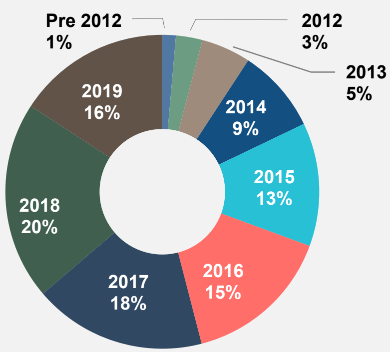
Weighted Average FICO: 743

Smart Option Payment Type



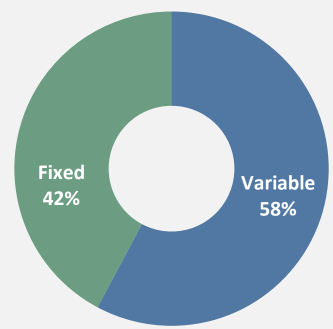
Smart Option Loans: $20.6 billion

Portfolio by Originations Vintage[2]



Weighted Average Age of Loan: ~3.0 years

Portfolio Interest Rate Type

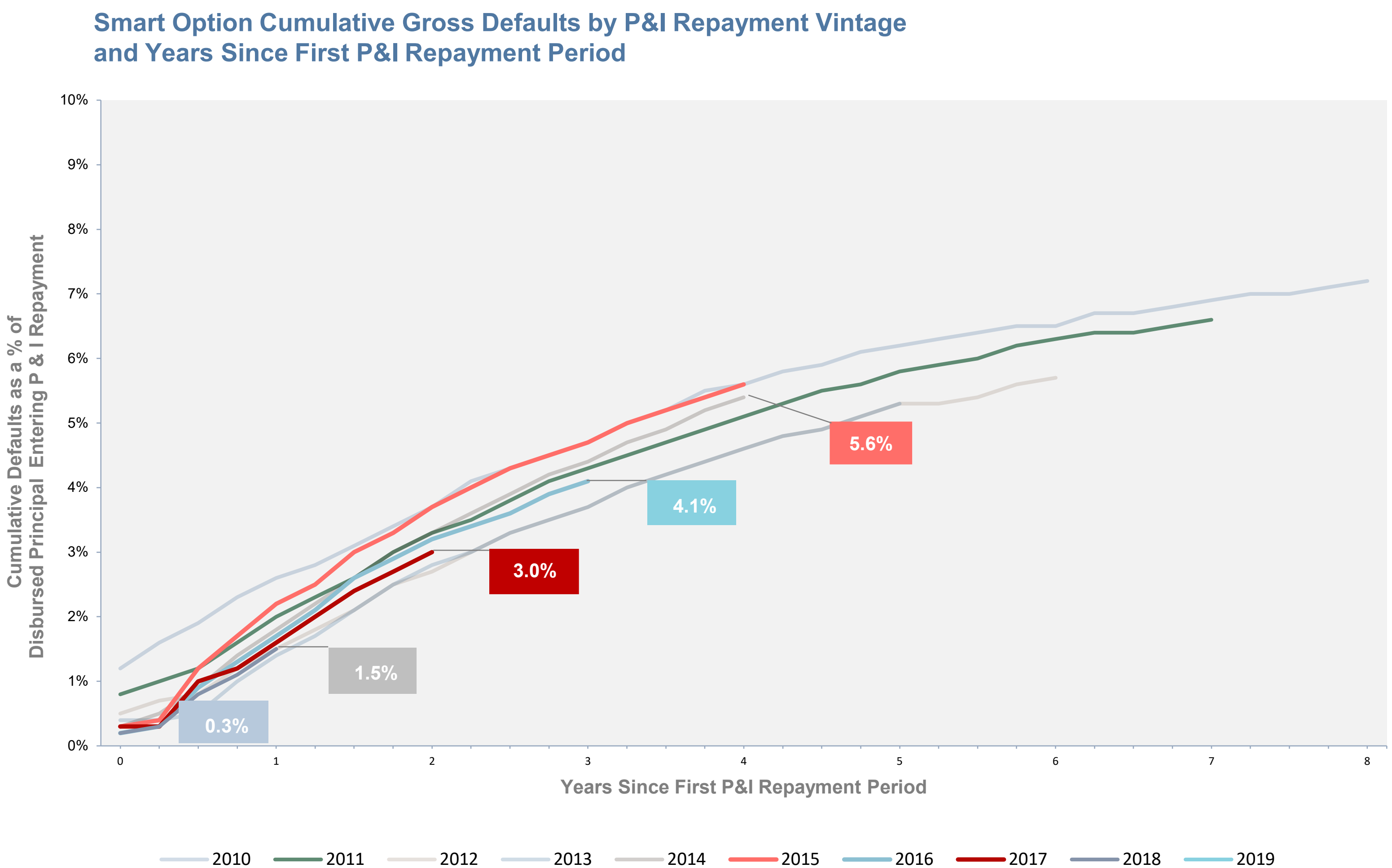


As of 12/31/19

(1) Represents the higher credit score of the cosigner or the borrower

(2) Originations represent loans that were funded or acquired during the period presented.

High Quality, Predictable Credit Program(1,2,3)



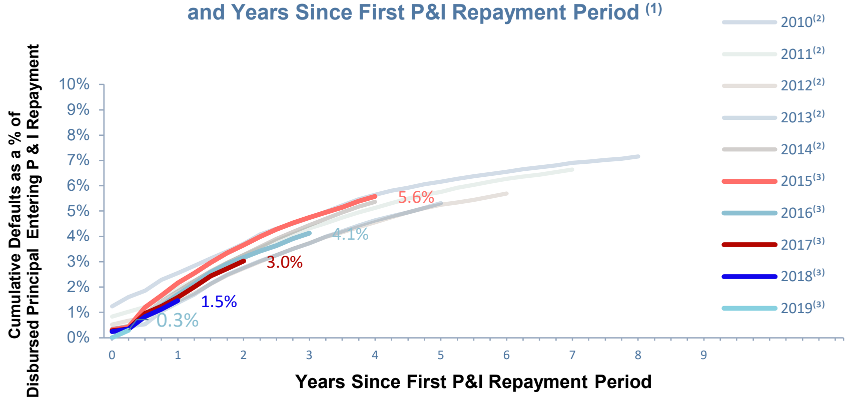
(1) *For important information regarding historical performance data and an explanation of the data and calculations underlying this chart, see pages 33-35*

(2) *For 2010-2014 P&I Repayment Vintages Only- Data static as of December 31, 2018 for Legacy SLM, Navient and Sallie Mae Bank serviced portfolios combined. Certain data used in the charts above was provided by Navient under a data sharing agreement which expired on April 29, 2019 (see page 34 for more details). Sallie Mae Bank has not independently verified, and is not able to verify, the accuracy or completeness of the data provided under the agreement*

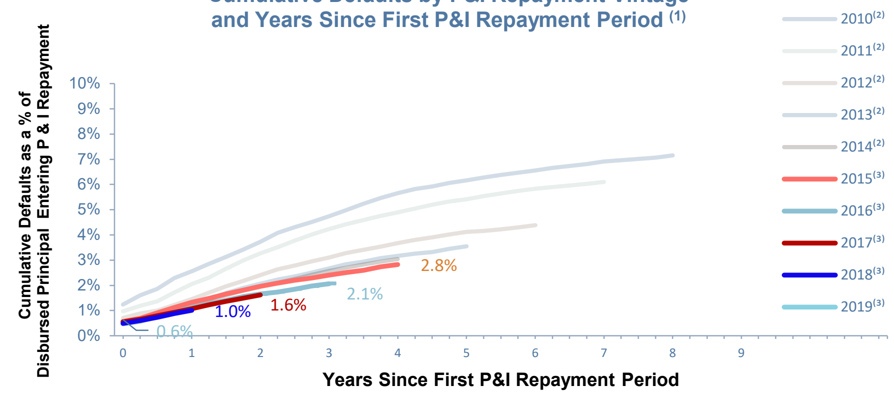
(3) *For 2015-2019 P&I Repayment Vintages Only- Data as of December 31, 2019 for Sallie Mae Bank serviced loans only – All loans covered are serviced by Sallie Mae Bank, regardless of whether the loans were originated by Sallie Mae Bank when it was part of legacy SLM, or by Sallie Mae Bank post Spin-Off, and regardless of whether the loans were included in an ABS trust. Note: Legacy SLM and Navient portfolio serviced pursuant to a 212 day charge-off policy. Sallie Mae Bank portfolio serviced pursuant to a 120 day charge-off policy. Historical trends may not be indicative of future performance*

Smart Option Vintage Data: Cumulative Gross Default by Loan Type

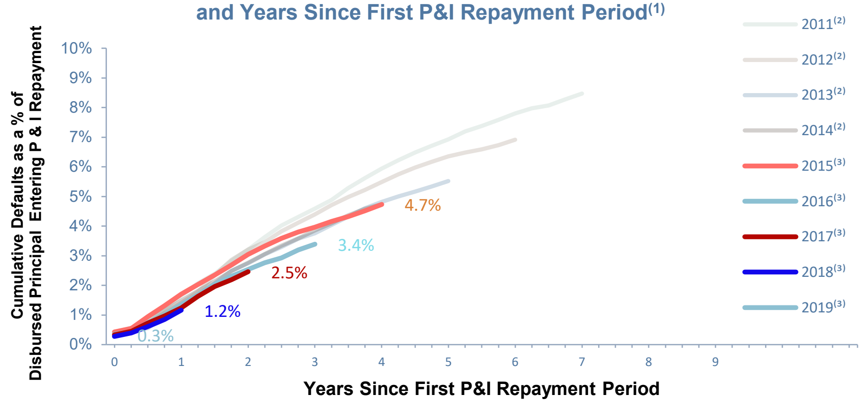
Smart Option Student Loans - Serviced Portfolio: All Products
Cumulative Defaults by P&I Repayment Vintage
and Years Since First P&I Repayment Period (1)



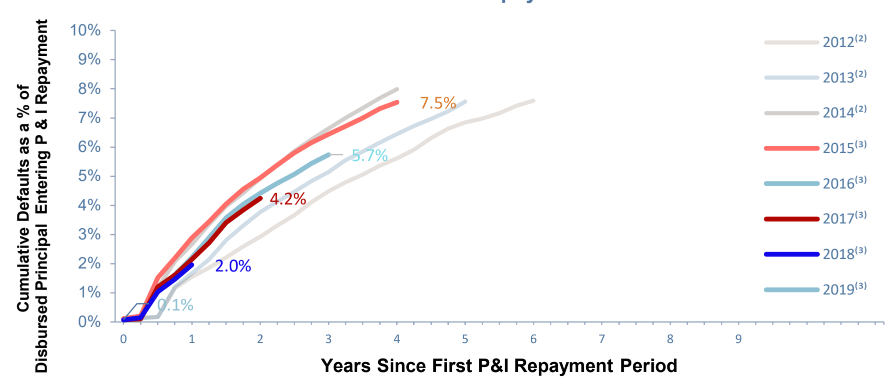
Smart Option Student Loans - Serviced Portfolio: Interest Only
Cumulative Defaults by P&I Repayment Vintage
and Years Since First P&I Repayment Period (1)



Smart Option Student Loans - Serviced Portfolio: Fixed Pay
Cumulative Defaults by P&I Repayment Vintage
and Years Since First P&I Repayment Period(1)



Smart Option Student Loans - Serviced Portfolio: Deferred
Cumulative Defaults by P&I Repayment Vintage
and Years Since First P&I Repayment Period(1)



(1) *Please see page 35 for a description and explanation of the data and calculations underlying these charts.*

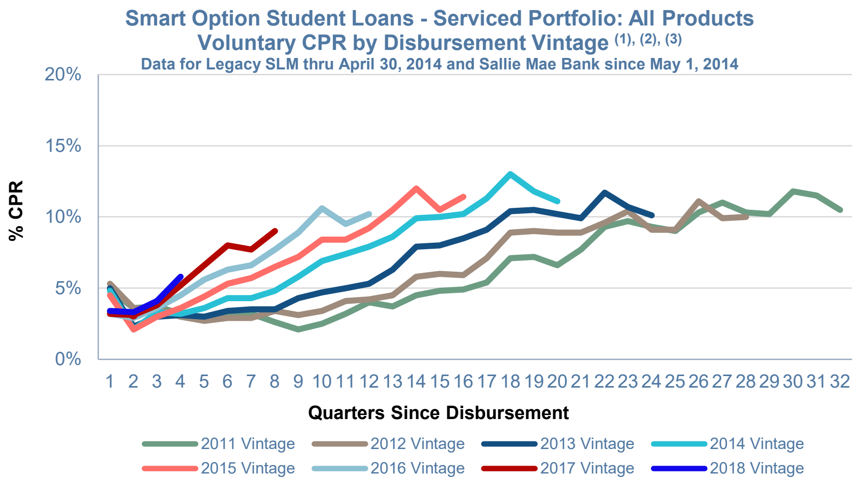
(2) *Data static as of December 31, 2018 for Legacy SLM, Navient and Sallie Mae Bank serviced portfolios combined. Certain data used in the charts above was provided by Navient under a data sharing agreement which expired on April 29, 2019 (see page 34 for more details). Sallie Mae Bank has not independently verified, and is not able to verify, the accuracy or completeness of the data provided under the agreement.*

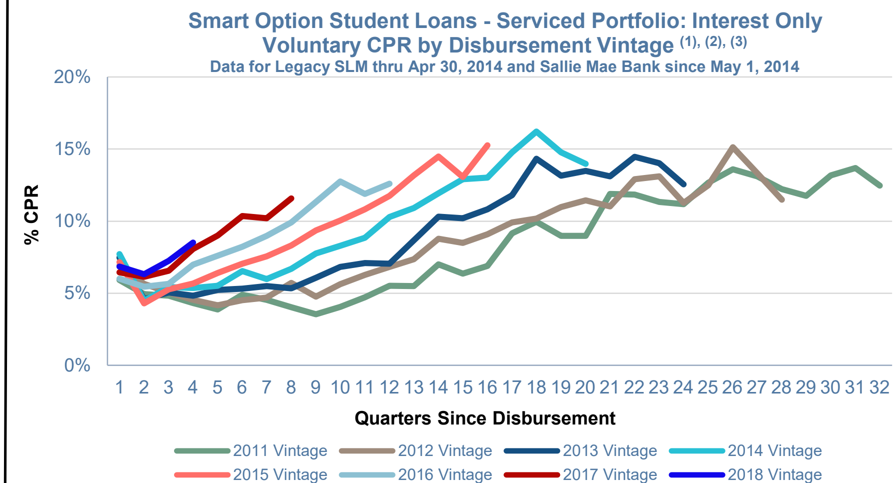
(3) *Data as of December 31, 2019 for Sallie Mae Bank serviced loans only – All loans covered are serviced by Sallie Mae Bank, regardless of whether the loans were originated by Sallie Mae Bank when it was part of legacy SLM, or by Sallie Mae Bank post Spin-Off, and regardless of whether the loans were included in an ABS trust.*

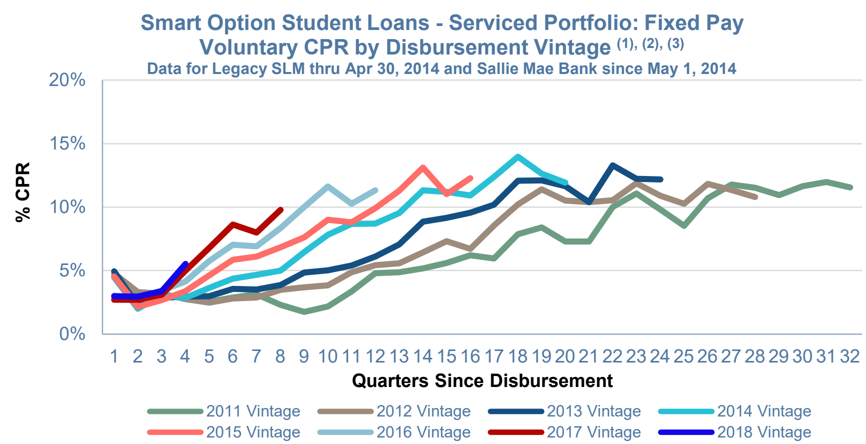
Note: Legacy SLM and Navient portfolio serviced pursuant to a 212 day charge-off policy. Sallie Mae Bank portfolio serviced pursuant to a 120 day charge-off policy. Historical trends may not be indicative of future performance.

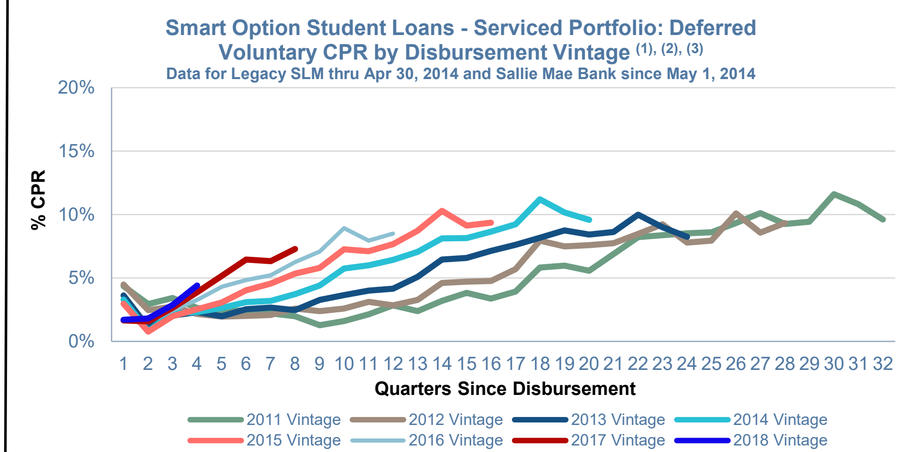
Smart Option Vintage Data: Voluntary Prepayments

- Voluntary prepay speeds trend up as more loans enter P&I repayment.









Data as of December 31, 2019.

(1) Please see pages 36 & 37 for a description and explanation of the data and calculations underlying these charts.

(2) Data for all loans from initial disbursement, whether or not scheduled payments are due. Voluntary CPR includes only voluntary prepayments.

(3) Loans in a particular annual Disbursement Vintage are disbursed at different times during the Disbursement Vintage year. Prepayment data is not reported for loans in a particular annual Disbursement Vintage until all loans in that annual Disbursement Vintage have been disbursed. Once reporting starts, data reflects prepayments that occurred in a particular period based on the number of months all loans in that annual Disbursement Vintage have been disbursed. For example, in the charts above: (i) prepayment data reported for loans in the 2018 Disbursement Vintage represents prepayments occurring during the first 12 months (i.e., first four quarters) after a loan was disbursed regardless of the month in 2018 during which such loan was disbursed; and (ii) prepayment data for loans in the 2017 Disbursement Vintage represents prepayments occurring during the first 24 months (i.e., first twelve quarters) after a loan was disbursed regardless of the month in 2017 during which such loan was disbursed.

Note: Legacy SLM and Navient portfolio serviced pursuant to a 212 day charge-off policy. Sallie Mae Bank portfolio serviced pursuant to a 120 day charge-off policy. Historical trends may not be indicative of future performance.

Sallie Mae Bank Servicing Policies

Policy	Pre-Spin, Legacy SLM Serviced	Post-Spin, Sallie Mae Bank Serviced
Delinquencies	All loans serviced by an affiliate of legacy SLM; loan owned by Sallie Mae Bank sold to legacy SLM after becoming 90+ days past due.	Sallie Mae Bank collects delinquent loans thru charge-off, placing emphasis on returning loans to current status during early delinquency.
Charge-offs	Loans serviced by legacy SLM charge off at 212+ days past due.	Loans serviced by Sallie Mae Bank charge off at 120+ days past due.
Recoveries	Post-charge off collections managed by legacy SLM; recoveries realized over 10+ years.	Charged-off loans either collected internally or sold to third parties. Recoveries recognized immediately if charged-off loans sold to third parties.
Forbearance	Granted for 3 mo. intervals with a 12 month maximum, with fee.	Granted for 3 mo. intervals with a 12 month maximum, no fee.

Sallie Mae Bank Forbearance Policy -

- First choice is always to collect a payment from the borrower or co-signer
- If payment is not possible, forbearance temporarily provides borrowers limited time to improve their ability to repay during temporary economic hardship
- The vast majority of loans do not use forbearance; those that do, typically remain in forbearance for less than 12 months

Sallie Mae Bank Collections

Each customer is approached individually, and the account manager is educated and empowered to identify optimal resolution

- Co-borrowers are contacted and collected with similar efforts as the primary borrower

Sallie Mae Bank employs a front-loaded, stage based collections approach:

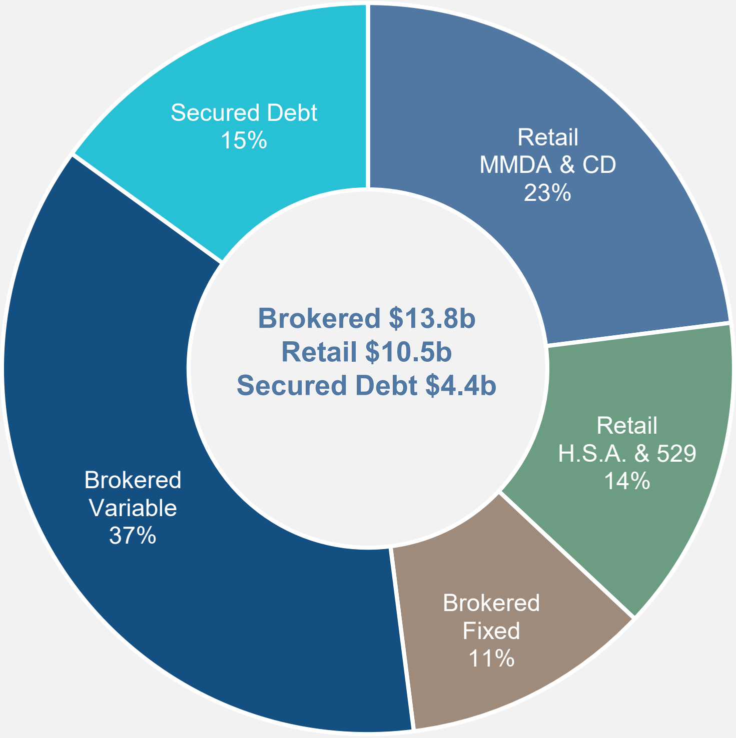
- Early Stage Loan Collections (1 – 29 days delinquent as of the first of the month)
  - Calling activity begins as early as 1 cycle day behind (5 days past their due date in most instances)
  - Dialer based calling and automated messaging are leveraged for early delinquency
  - E-mail and letter campaigns complement calling efforts
- Mid-Stage Loan Collections (30 – 59 days delinquent as of the first of the month)
  - Continue early stage activities
  - Account is assigned to a collector's queue based on the delinquency and the type of loan. Collection campaign includes telephone attempts and manual skip tracing
- Late Stage Loan Collections (60+ days delinquent as of the first of the month)
  - Continue both early and mid-stage activities
  - Tenured route management collectors and customized letter campaigns

Cash collection is the primary focus, but a variety of tools are also available to collectors to aid in resolving delinquency:

- Auto pay – Monthly payment made automatically, prior delinquency cleared with forbearance
- Three Pay – After three scheduled monthly payments are made, prior delinquency cleared with forbearance
- Rate Reduction – Reduce rate for monthly payment relief, enrolled after three qualifying payments
- Rate Reduction with Term Extension – Reduced rate and extended term
- Additional programs are available when all other methods are not adequate

Bankruptcy Collections Policy – Collection activity stops if both parties on the loan file bankruptcy (borrower and cosigner) or on a non-cosigned loan; otherwise, collections can continue on the non-filing party

Conservative Funding Optimizes Net Interest Margin



As of 12/31/19

Optimizing our Portfolio(1)

Continue to Focus on High-Quality Private Education Loan Originations	LOAN SALES	CONTINUE TO INVEST IN CREDIT CARD

Continue to Focus on High-Quality Private Education Loan Originations

- Expect to grow originations 6% in 2020
- Discontinued originations of Personal Loans as of December 15, 2019

LOAN SALES

- Expect to sell ~$3B in loans in 2020, dependent upon market conditions
- Loan sales allow SLM to return excess capital to shareholders through share repurchases

CONTINUE TO INVEST IN CREDIT CARD

- Launched new credit card in October 2019 designed for college students and young adults
- Rewards can be used to repay student loan debt
- To drive continued success, expect to invest $0.05 per share in 2020

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

Sallie Mae Bank ABS Summary

	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
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
Total Bond Amount ($mil)	$382	$704	$714	$701	$551	$657	$674	$772	$676	$670	$687	$544	$453	$657	$636
Initial AAA Enhancement (%)	21%	23%	22%	23%	20%	19%	16%	17%	17%	18%	17%	16%	17%	15%	15%
Initial Class B Enhancement (%)	11%	13%	12%	14%	12%	12%	10%	11%	11%	11%	10%	10%	11%	8%	8%
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%
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%
Loan Program (%)															
Smart Option	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Loan Status (%) (1)															
School, Grace, Deferment	90%	79%	78%	73%	75%	74%	70%	65%	73%	69%	70%	69%	61%	69%	58%
P&I Repayment	9%	20%	21%	24%	23%	24%	28%	33%	26%	29%	27%	30%	36%	28%	40%
Forbearance	0%	2%	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	3%	2%	3%
Wtd Avg Term to Maturity (Mo.)	140	133	130	127	135	133	131	131	135	139	139	138	136	140	139
% Loans with CoSigner	93%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	92%	93%	93%
Not For Profit (%)	89%	86%	87%	87%	87%	87%	89%	90%	91%	91%	91%	91%	91%	91%	90%
Wtd Avg FICO at Origination (2)	747	747	746	747	747	747	748	746	747	747	746	746	746	745	744
Wtd Avg Recent FICO at Issuance (2)	745	744	741	747	743	745	745	744	745	744	742	744	744	742	741
Wtd Avg FICO at Origination (Cosigner) (2)	750	750	749	750	750	750	750	748	749	748	748	748	748	747	745
Wtd Avg Recent FICO at Issuance (Cosigner) (2)	748	748	745	750	747	749	748	748	748	747	745	747	748	745	744
Wtd Avg FICO at Origination (Borrower)	708	714	715	714	719	719	721	720	723	724	724	724	724	724	721
Wtd Avg Recent FICO at Issuance (Borrower)	701	702	699	701	704	708	708	705	707	708	706	709	708	704	699
Variable Rate Loans (%)	85%	82%	82%	82%	82%	82%	80%	81%	80%	75%	72%	70%	67%	63%	58%
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%

(1) Smart Option loans considered in 'P&I Repayment' only if borrowers are subject to full principal and interest payments on the loan.

(2) Represents the higher credit score of the cosigner or the borrower.

Note: Pool characteristics as of the Statistical Cutoff Date for the respective transaction

Sallie Mae Bank ABS Structures

	SMB 2020-A	SMB 2019-B	SMB 2019-A
SIZE	$636.0MM	$657.0MM	$453.0MM
PRICING DATE	February 4, 2020	June 4, 2019	March 5, 2019
COLLATERAL	Smart Option Private Education Loans	Smart Option Private Education Loans	Smart Option Private Education Loans
SERVICER	Sallie Mae Bank	Sallie Mae Bank	Sallie Mae Bank
OVERCOLLATERALIZATION (1)	8%	8%	11%
PRICING PREPAYMENT SPEED (2)	8%	8%	8%
TRANCHE STRUCTURE AT ISSUANCE	see below	see below	see below
WA BORROWER INTEREST RATE	9.45%	10.00%	10.05%
WA FICO AT ORIGINATION(3)	744	745	746
% LOANS WITH COSIGNER	93%	93%	92%
VARIABLE RATE LOANS	58%	63%	67%

TRANCHE STRUCTURE AT ISSUANCE

SMB 2020-A

Class	Amt ($mm)	Mdy's	WAL	Pricing
A-1	219.00	Aaa	0.98	1mL +30
A-2A	320.00	Aaa	5.38	IntS +80
A-2B	50.00	Aaa	5.38	1mL +83
B	47.00	Aa2	9.64	IntS +147

SMB 2019-B

Class	Amt ($mm)	Mdy's	WAL	Pricing
A-1	201.00	Aaa	0.99	1mL +35
A-2A	304.00	Aaa	5.43	IntS +95
A-2B	102.00	Aaa	5.43	1mL +100
B	50.00	Aa1	9.88	IntS +150

SMB 2019-A

Class	Amt ($mm)	Mdy's	WAL	Pricing
A-1	151.00	Aaa	0.99	1mL +35
A-2A	217.00	Aaa	5.41	IntS +87
A-2B	50.00	Aaa	5.41	1mL +87
B	35.00	Aa2	9.52	IntS +140

(1) Overcollateralization for Class A & B bonds
(2) Estimated based on a variety of assumptions concerning loan repayment behavior. Actual prepayment rate may vary significantly from estimates.
(3) Represents the higher credit score of the cosigner or the borrower. Note: Pool characteristics as of the Statistical Cutoff Date for the respective transaction

SMB 2020-A Structure

- Sallie Mae Bank is the loan servicer and transaction sponsor
- SMB 2020-A utilizes a sequential structure

Class	Bond Balance	Pct of Total Bond Balance	Expected Ratings (M/S)	Index	Wtd Avg Life to Call (8% CPR)(1)	Principal Window to Call(1)	Expected Maturity to Call(1)	Legal Maturity
A-1	$219,000,000	34.4%	Aaa(sf)/AAA(sf)	Libor	0.98	1-24	3/15/2022	3/15/2027
A-2A	$320,000,000	50.3%	Aaa(sf)/AAA(sf)	Swaps	5.38	24-107	2/15/2029	9/15/2037
A-2B	$50,000,000	7.9%	Aaa(sf)/AAA(sf)	Libor	5.38	24-107	2/15/2029	9/15/2037
B	$47,000,000	7.4%	Aa2(sf)/AA(sf)	Swaps	9.64	107-122	5/15/2030	8/15/2045
Total	**$636,000,000**	**100.0%**			**4.18**			

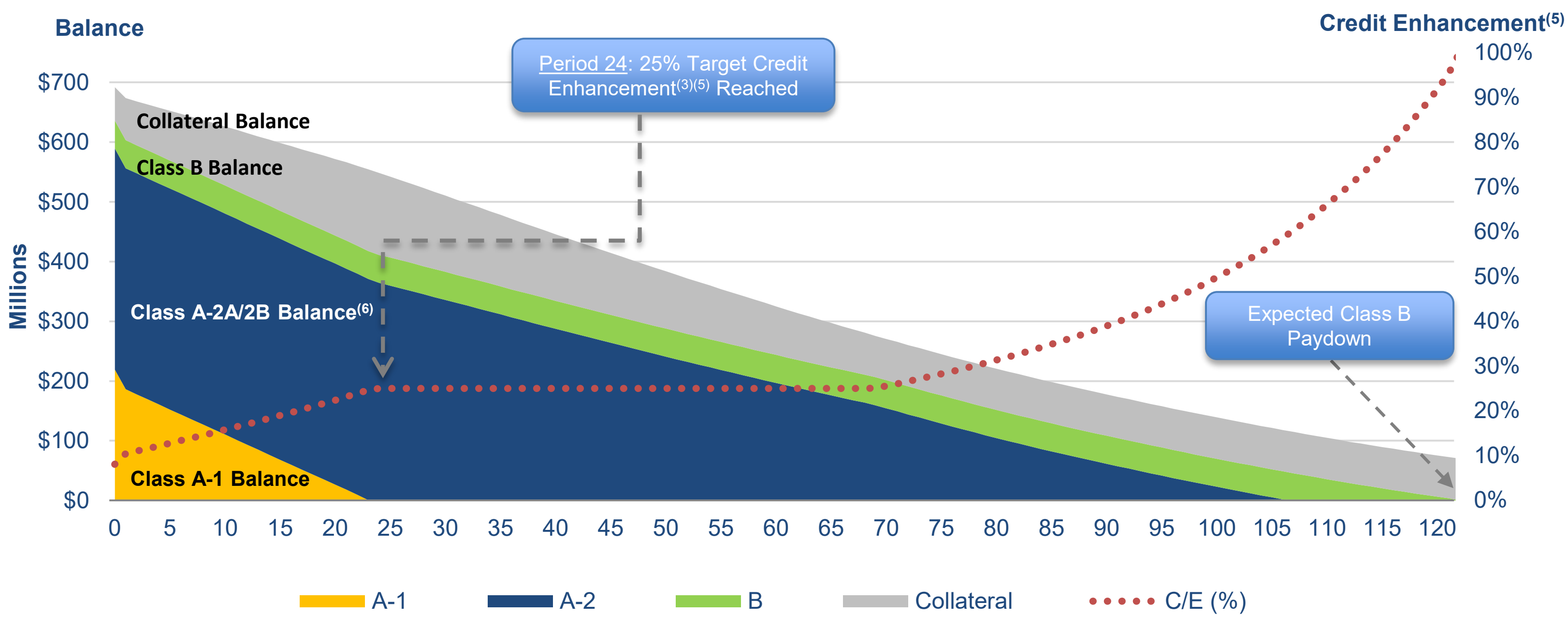
- **Credit Enhancement(2) to the Class A and Class B Notes**:
  - Initial: 8.1% (initial pool balance)
  - Target: 25.0% (outstanding pool balance)
  - Floor: 10.0% (initial pool balance)
  - Turbo: 100% until target credit enhancement is reached
- **Reserve**: 0.25% of Initial Pool Balance, non-declining
- **Initial Pool Balance**: $691,731,093

- **Pricing speed**: 8% CPR
- **Servicing Fee**: 0.80% per annum
- **Call Features**: 10% pool balance clean-up call
- **ERISA Eligibility**: All rated notes will be ERISA eligible
- **Risk Retention**: Compliant with both Dodd-Frank and EU risk retention rules

(1) Estimated based on a variety of assumptions concerning loan repayment behavior. Actual average life and repayment characteristics may vary significantly from estimates.
(2) Does not include the Reserve balance.

SMB 2020-A Cashflow

Deal	Credit Enhancement(2)(4)				Reserve	WAL to Call (yrs)(1) (8% CPR)			Principal Window to Call(1)			Projected Credit Enhancement(3)			
	Class A	Class B	Target (3)(5)	Floor(5)	Non-declining	A-1	A-2A/B(6)	B	A-1	A-2A/B(6)	B	12mo	24mo	36mo	60mo
SMB 2020-A	15%	8%	25%	10%	0.25%	0.99	5.38	9.64	1-24	24-107	107-122	17%	25%	25%	25%



(1) *Structure is run at 8% CPR; SMB 2020-A structure priced to 10% clean up call.*

(2) *As a percentage of the initial pool balance.*

(3) *As a percentage of the current pool balance. Target Credit Enhancement is reached on the first distribution date on which the pool balance minus the outstanding aggregate principal balance of class A and class B notes equals 25% of the pool balance.*

(4) *Consists of Overcollateralization, Reserve and Subordination.*

(5) *Does not include the Reserve balance.*

(6) *The allocation of the aggregate initial principal balance of the class A-2 notes between the class A-2A notes and the class A-2B notes will be determined on or before the date of pricing and may result in only one of such classes being issued. The aggregate initial principal balance of the class A-2 notes will be equal to $370,000,000, where A-2B notes will not exceed $93,000,000. The interest rate for the class A-2 notes will be equal to either a fixed rate or a combination of a fixed rate and a floating rate.*

LIBOR Language

LIBOR Determination for the LIBOR Rate for the 2020-A Transaction is as follows:

- If such rate for such related LIBOR Determination Date does not appear on Reuters Screen LIBOR01 Page or on such comparable service as is customarily used to quote LIBOR, and the administrator has not made a determination that a Benchmark Transition Event has occurred, the rate for that LIBOR Determination Date will be determined on the basis of the rates at which deposits in U.S. Dollars, having the specified maturity, are offered by the Reference Banks at approximately 11:00 a.m., London time, on that LIBOR Determination Date to prime banks in the London interbank market. The administrator will request the principal London office of each Reference Bank to provide a quotation of its rate.
- If at least two quotations are provided, the rate for that LIBOR Determination Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided, the rate for that LIBOR Determination Date will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the administrator, at approximately 11:00 a.m., New York City time, on that LIBOR Determination Date for loans in U.S. Dollars to leading European banks having the specified maturity.
- If the administrator determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, LIBOR in effect for the applicable accrual period will be the Designated Base Rate selected and designated by the administrator by notice in writing to the indenture trustee. For this purpose:
  - *“Designated Base Rate”* equals to the sum of (A) the Benchmark Replacement and (B) the Benchmark Replacement Adjustment.
    - *“Benchmark Replacement”* means, the first alternative set forth in the following order that can be determined by the administrator, without obtaining the consent of any noteholders, for such Interest Determination Date: (i) Term SOFR; (ii) the compounded average of the SOFRs for the applicable tenor (e.g., one-month and disregarding business day adjustments); (iii) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable tenor (e.g., one-month, and disregarding business day adjustments) of the then-current Benchmark; and (iv) the alternate rate of interest selected by the administrator in its reasonable discretion after consulting any source the administrator deems to be reasonable as a substitute for the then-current Benchmark, for such Interest Determination Date.
    - *“Benchmark Replacement Adjustment”* means the first alternative set forth in the following order that can be determined by the administrator, without obtaining the consent of any noteholders (which may be a positive or negative value or zero): (i) the spread adjustment, or method for calculating or determining such spread adjustment that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Benchmark Replacement; or (ii) the spread adjustment, or method for calculating or determining such spread adjustment that has been selected by the administrator in its reasonable discretion for the replacement of the then-current Benchmark for such Interest Determination Date.

2020 Guidance[1]

Metrics	2020 Full-Year Guidance
Diluted "Core Earnings[27]" per share	$1.85 - $1.91
Provisions for credit losses	$285 million - $305 million
Total portfolio net charge-offs	$275 million - $285 million
Private Education Loan originations growth	6%
Non-interest expenses	$570 million - $580 million
Loan sales	~$3 billion to fund $600 million of share repurchases

Well-positioned to build on our momentum and execute on our strategy

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

Strong Balance Sheet

Entering 2020, Total Risk-Based Capital ratio was at

13.4%

Common Equity Tier 1 Risk-Based Capital ratio of

12.2%

Planned loan asset sales of

~$3B

will provide flexibility to the balance sheet(1)

Expect the balance sheet to be flat over the next

3 years

despite the impact of CECL(1)

As of 12/31/2019

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

Committed to Returning Capital to Shareholders[1]

INCREASED SHAREHOLDER RETURNS

INVEST IN HIGH ROE GROWTH

- Continue to focus on high-quality Private Education Loan originations, including deeper penetration of graduate school market
- Offer credit cards to high-quality customer base

QUARTERLY COMMON STOCK DIVIDEND

- Paid $0.03 quarterly common stock dividend on 12/16/19
- Expect to grow common stock dividend with earnings[29]

SHARE REPURCHASE

- $167M of share authorization repurchased in 2019
- New Authorization to repurchase up to $600M in 2020
- Expected $3B in loans sales expected to enable return of excess capital to shareholders

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

3-Year Horizon[1]

Originations	~6% growth per year
Loan Sales	~$3B per year contingent on market conditions
Balance Sheet	Remains at ~$32B due to loan sales
Earnings Per Share	Significant increase in 2020 driven by loan sales and share repurchases, followed by mid single digit EPS growth thereafter
Capital Return	• Continue to pay common and preferred stock dividends • Proceeds of loan sales to opportunistically repurchase up to $1.4B in common stock over the next three years

Confident in our future and ability to deliver value creation

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

CECL Update[1,2]

- Financial Accounting Standards Board's Current Expected Credit Loss ("CECL") impairment standard will require "life of loan" estimates of losses to be recorded at origination and became effective for the Company on January 1, 2020.
- CECL requires the Company to measure its allowance for losses based upon the estimate of current expected credit losses, and will have a significant impact on diluted GAAP earnings per share and diluted "Core Earnings" per share as adjustments are made to the allowance for loan losses in future periods to reflect life-of-loan expected losses.
- CECL will have a material impact on how the Company records and reports its financial condition and results of operations and on regulatory capital.
  - The Company's first-quarter 2020 financial results will reflect a transition adjustment that is currently estimated to increase the allowance for loan losses by approximately $1.1 billion, increase the liability representing its off-balance sheet exposure for unfunded commitments by approximately $115 million, and increase the deferred tax asset by approximately $300 million, resulting in a cumulative effect adjustment currently estimated to reduce retained earnings by approximately $950 million.
  - The Private Education Loan allowance for losses as a percentage of ending total Private Education Loan balance after the adoption of CECL is estimated to initially be approximately 6.7 percent.
  - These adjustments will be refined and reflected in the Company's first-quarter 2020 financial results.
- The Company has elected the three-year phase in for the initial impact of adopting CECL for regulatory capital adequacy purposes.
- Sallie Mae intends to elect the three-year phase in for the initial impact of adopting CECL for regulatory capital adequacy purposes, and expects to remain above the current definition of "Well Capitalized" after implementation of CECL.

(1) Estimated CECL impacts are current as of January 22, 2020 and will be refined and reflected in the Company's first quarter 2020 financial results

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

Sallie Mae Investor Relations Website

www.salliemae.com/investors/asset-backed-securities/

- SMB Private Education Loan Trust
    - Monthly Servicing and Distribution Reports
    - Current Distribution Factors
    - Current Rates
    - Current Replines

- SMB Private Education Loan Performance Data
    - Reg AB Static Pool Information & Monthly Performance Report
    - Smart Option Loan Performance Summary
    - Historical Since Issued CPRs

www.salliemae.com/investors/webcasts-and-presentations/

- Current and historical investor presentations, webcasts and transcripts

Important Information Regarding Historical Loan Performance Data

On April 30, 2014 (the "Spin-Off Date"), the former SLM Corporation legally separated (the "Spin-Off") into two distinct publicly-traded entities: an education loan management, servicing and asset recovery business called Navient Corporation ("Navient"), and a consumer banking business called SLM Corporation. SLM Corporation's primary operating subsidiary is Sallie Mae Bank. We sometimes refer to SLM Corporation, together with its subsidiaries and its affiliates, during the period prior to the Spin-Off as "legacy SLM."

In connection with the Spin-Off, all private education loans owned by legacy SLM, other than those owned by its Sallie Mae Bank subsidiary as of the date of the Spin-Off, and all private education loan asset-backed securities ("ABS") trusts previously sponsored and administered by legacy SLM were transferred to Navient. As of the Spin-Off Date, Navient and its sponsored ABS trusts owned $30.8 billion of legacy SLM's private education loan portfolio originated both prior to and since 2009. As of the Spin-Off Date, Sallie Mae Bank owned $7.2 billion of private education loans, the vast majority of which were unencumbered Smart Option Student Loans originated since 2009.

Legacy SLM's Private Education Loan and ABS Programs Prior to the Spin-Off

In 1989, legacy SLM began making private education loans to graduate students. In 1996, legacy SLM expanded its private education loan offerings to undergraduate students. Between 2002 and 2007, legacy SLM issued $18.6 billion of private education loan-backed ABS in 12 separate transactions.

In 2008, in response to the financial downturn, legacy SLM revised its private education loan underwriting criteria, tightened its forbearance and collections policies, ended direct-to-consumer disbursements, and ceased lending to students attending certain for-profit schools. Legacy SLM issued no private education loan ABS in 2008.

In 2009, legacy SLM introduced its Smart Option Student Loan product and began underwriting private education loans with a proprietary custom credit score. The custom credit score included income-based factors, which led to a significant increase in the percentage of loans requiring a co-signer, typically a parent. The initial loans originated under the Smart Option Student Loan program (the "Interest Only SOSLs") were variable rate loans and required interest payments by borrowers while in school, which reduced the amounts payable over the loans' lives and helped establish repayment habits among borrowers. In 2010, legacy SLM introduced a second option for its Smart Option Student Loan customers, which required a $25 fixed monthly payment while borrowers were in school (the "Fixed Pay SOSLs"). In 2011, legacy SLM introduced another option for its Smart Option Student Loan customers, which allowed borrowers to defer interest and principal payments until after a student graduates or separates from school (the "Deferred SOSLs"). In 2012, legacy SLM introduced a fixed rate loan option for its Interest Only, Fixed Pay and Deferred SOSLs. Borrowers must select which of these options they prefer at the time of loan origination and are not permitted to change those options once selected.

In 2011, legacy SLM included private education loans originated under the Smart Option Student Loan program in its ABS pools for the first time. Between 2011 and 2014, the mix of Smart Option Student Loans included in legacy SLM's private education loan ABS steadily increased as a percentage of the collateral pools, from 10% initially to 64% in later transactions.

Sallie Mae Bank's Private Education Loan and ABS Programs Post-Spin-Off

Originations. Following the Spin-Off, Sallie Mae Bank continued to originate loans under the Smart Option Student Loan program. As of December 31, 2019, it owned $23.2 billion of private education loans (gross), the vast majority of which were Smart Option Student Loans originated since 2013.

Servicing. Immediately prior to the Spin-Off, Sallie Mae Bank assumed responsibility for collections of delinquent loans on the vast majority of its Smart Option Student Loan portfolio. Following the Spin-Off Date, Navient continued to service all private education loans owned by the two companies on its servicing platform until October 2014, when servicing for the vast majority of Sallie Mae Bank's private education loan portfolio was transitioned to Sallie Mae Bank. Sallie Mae Bank now services and is responsible for collecting the vast majority of the Smart Option Student Loans it owns.

Securitization and Sales. In August 2014, Sallie Mae Bank sponsored its first private education loan ABS, SMB Private Education Loan Trust 2014-A (the "SMB 2014-A transaction"). Because this transaction occurred prior to the transfer of loan servicing from Navient to Sallie Mae Bank, Sallie Mae Bank acted as master servicer for the transaction and Navient as subservicer, and the loan pool is serviced pursuant to Navient servicing policies. In April 2015 and October 2015, Sallie Mae Bank sponsored securitizations and residual sales, SMB Private Education Loan Trust 2015-A and SMB Private Education Loan Trust 2015-C, respectively. Sallie Mae Bank also sponsored on-balance sheet term securitizations as follows:

Date	Transaction	Date	Transaction	Date	Transaction
July 2015	SMB Private Education Loan Trust 2015-B	May 2016	SMB Private Education Loan Trust 2016-A	February 2017	SMB Private Education Loan Trust 2017-A
July 2016	SMB Private Education Loan Trust 2016-B	October 2016	SMB Private Education Loan Trust 2016-C	November 2017	SMB Private Education Loan Trust 2017-B
March 2018	SMB Private Education Loan Trust 2018-A	June 2018	SMB Private Education Loan Trust 2018-B	September 2018	SMB Private Education Loan Trust 2018-C
March 2019	SMB Private Education Loan Trust 2019-A	June 2019	SMB Private Education Loan Trust 2019-B		

Sallie Mae Bank services the loans in all of the securitizations it has sponsored following the SMB 2014-A transaction.

Additional Information. Prior to the Spin-Off, all Smart Option Student Loans were originated and initially held by Sallie Mae Bank, as a subsidiary of legacy SLM. Sallie Mae Bank typically then sold certain of the performing Smart Option Student Loans to an affiliate of legacy SLM for securitization. Additionally, on a monthly basis Sallie Mae Bank sold all loans that were over 90 days past due, in forbearance, restructured or involved in a bankruptcy to an affiliate of legacy SLM. As a result of this second practice, prior to the occurrence of the Spin-Off, historical performance data for Sallie Mae Bank's Smart Option Student Loan portfolio reflected minimal later stage delinquencies, forbearance or charge-offs.

Legacy SLM collected Smart Option Student Loans pursuant to policies that required loans be charged off after 212 days of delinquency. In April 2014, Sallie Mae Bank began collecting the vast majority of its Smart Option Student Loans pursuant to policies that required loans be charged off after 120 days of delinquency, in accordance with bank regulatory guidance. For the reasons described above, a portion of Sallie Mae Bank's historical performance data does not reflect current collections and charge off practices and may not be indicative of the future performance of the Bank's Smart Option Student Loans.

Important Information Regarding Historical Loan Performance Data (cont.)

Types of Smart Option Student Loan Portfolio Data

The portfolio data we used in this report comes from two separate sources of information:

(1) Combined Smart Option Student Loan Portfolio Data for Legacy SLM, Navient and Sallie Mae Bank. Information in this category is presented on a combined basis for loans originated under the Smart Option Student Loan program, whether originated by Sallie Mae Bank when it was part of legacy SLM or by Sallie Mae Bank post Spin-Off, and regardless of whether the loan is currently held by an ABS trust, or held or serviced by Navient or Sallie Mae Bank. Data in this category is used in the tables below under the following headings:

- "Cumulative Defaults by P&I Repayment Vintage and Years Since First P&I Repayment Period" – Only for 2010-2014 P&I Repayment Vintages

This combined Smart Option Student Loan portfolio data provides insight into gross defaults of the covered vintages of Smart Option Student Loans since 2010, regardless of ownership or servicing standard. Data available for earlier periods includes a limited number of Smart Option Student Loan product types.

Loans contained in the combined Smart Option Student Loan portfolio category were serviced by legacy SLM prior to the Spin-Off, and by either Navient or Sallie Mae Bank after the Spin-Off. As noted above, loans serviced by legacy SLM and Navient were serviced pursuant to different policies than those loans serviced by Sallie Mae Bank after the Spin-Off. Specifically, legacy SLM charged off loans after 212 days of delinquency, and Navient has continued this policy. Sallie Mae Bank currently charges off loans after 120 days of delinquency. All loans included in the combined Smart Option Student Loan portfolio that were serviced by legacy SLM prior to the Spin-Off were serviced pursuant to a 212-day charge off policy. Following the Spin-Off, a portion of the loans included in the combined Smart Option Student Loan portfolio data have been serviced by Navient pursuant to a 212-day charge off policy, and a portion have been serviced by Sallie Mae Bank pursuant to a 120-day charge off policy. As a result, future performance of loans serviced by Sallie Mae Bank may differ from the historical performance of loans reflected in this combined Smart Option Student Loan portfolio data.

(2) Smart Option Student Loan Portfolio Data for Sallie Mae Bank Serviced Loans. Information in this category is presented for loans originated under the Smart Option Student Loan program, whether originated by Sallie Mae Bank when it was part of legacy SLM or by Sallie Mae Bank post Spin-Off, and regardless of whether the loan is currently held by an ABS trust. All loans in this category are serviced by Sallie Mae Bank. Data in this category is used in the tables below under the following headings:

- "Cumulative Defaults by P&I Repayment Vintage and Years Since First P&I Repayment Period" – Only for 2015-2019 P&I Repayment Vintages

In relation to cumulative defaults, the Sallie Mae Bank Serviced portfolio data provides insight into gross defaults of the Smart Option Student Loans covered and serviced by Sallie Mae Bank since 2015, regardless of ownership. We believe historical loan performance data since 2015 is more representative of the expected performance of Smart Option Student Loans to be included in new Sallie Mae Bank trusts than data available for earlier periods. Loans contained in the Smart Option Student Loan Portfolio Data for Sallie Mae Bank Serviced Loans category were serviced by legacy SLM prior to the Spin-Off, and by Sallie Mae Bank after the Spin-Off. Sallie Mae Bank currently charges off loans after 120 days of delinquency.

Any data or other information presented in the following charts is for comparative purposes only, and is not to be deemed a part of any offering of securities.

A portion of the Smart Option Student Loan performance data described above was provided to Sallie Mae Bank by Navient under a data sharing agreement executed in connection with the Spin-Off. This data sharing agreement expired on April 29, 2019 and, as a result, cumulative gross default data for pre-2015 P&I Repayment Vintages is held static as of December 31, 2018. Under the data sharing agreement, Navient made no representations or warranties to Sallie Mae Bank concerning the accuracy and completeness of information that it provided. Sallie Mae Bank has not independently verified, and is not able to verify, the accuracy or completeness of the data provided under the agreement

Smart Option Loan Program Cohort Default Triangles

Terms and calculations used in the cohort default triangles are defined below:

- **First P&I Repayment Period** – The month during which a borrower is first required to make a full principal and interest payment on a loan.
- **P&I Repayment Vintage** – The calendar year of a loan's First P&I Repayment Period.
- **Disbursed Principal Entering P&I Repayment** – The total amount of disbursed loan principal in a P&I Repayment Vintage, excluding any interest capitalization.
- **Reported Default Data** –
  - **For loans that default after their First P&I Repayment Period:** Loans enter a particular annual P&I Repayment Vintage at different times during the P&I Repayment Vintage year. Default data is not reported for loans in a particular annual P&I Repayment Vintage until the First P&I Repayment Period has occurred for all loans in that annual P&I Repayment Vintage. Once reporting starts, data reflects defaults that occurred in a particular period through the number of months since December 31 of that annual P&I Repayment Vintage year. For example, in the relevant charts and tables included in this presentation as of December 31, 2019: (i) default data reported for loans in the 2018 P&I Repayment Vintage represents defaults occurring during the first 12 months after a loan's First P&I Repayment Period regardless of the month in 2018 during which the first full principal and interest payment for that loan became due; and (ii) default data for loans in the 2017 P&I Repayment Vintage represents defaults occurring during the first 24 months after a loan's First P&I Repayment Period regardless of the month in 2017 during which the first full principal and interest payment for that loan became due.
  - **For loans that default prior to their First P&I Repayment Period:** Loans defaulting prior to their First P&I Repayment Period are included in the P&I Repayment Vintage corresponding to the calendar year in which the default occurs, and are aggregated and reported in Year 0 of that P&I Repayment Vintage in the relevant charts and tables. For example: (a) if a loan's First P&I Repayment Period was scheduled for 2018, but the loan defaulted in 2017, the default amount is reflected in Year 0 of the 2017 P&I Repayment Vintage; and (b) if a loan's First P&I Repayment Period occurred in 2018, but the loan defaulted in 2018 before that First P&I Repayment Period, the default amount is reflected in Year 0 of the 2018 P&I Repayment Vintage.
  - **For loans that pay off prior to their First P&I Repayment Period:** Loans paid off prior to their First P&I Repayment Period are included in the Disbursed Principal Entering P&I Repayment of the P&I Repayment Vintage corresponding to the calendar year in which the payoff occurs.
- **Periodic Defaults** – For any loan in a particular P&I Repayment Vintage, the defaulted principal and interest is reflected in the year corresponding to the number of years since the First P&I Repayment Period for that loan.
- **Cumulative Defaults** – At any time for a particular P&I Repayment Vintage, the cumulative sum of Periodic Defaults for that vintage.
  - Defaulted principal includes any interest capitalization that occurred prior to default
  - Defaulted principal is not reduced by any amounts recovered after the loan defaulted
  - Because the numerator includes capitalized interest while the denominator (i.e., Disbursed Principal Entering P&I Repayment) does not, default rates are higher than they would be if the numerator and denominator both included capitalized interest

Note: Cumulative gross defaults for pre-2015 P&I Repayment Vintages are held static as of December 31, 2018.

Note: Historical trends suggested by the cohort default triangles may not be indicative of future performance. Legacy SLM and Navient serviced loans were serviced pursuant to a 212 day charge-off policy. Sallie Mae Bank serviced loans were serviced pursuant to a 120 day charge-off policy.

Smart Option Loan Program: Prepayment Methodology

The Constant Prepayment Rate (CPR) represents an annualized rate of prepayment speed measuring the reduction in the principal balance of a pool of loans in excess of the scheduled pool amortization. The rate can be positive or negative depending on whether the pool principal balance is less than or greater than the expected principal amount. A CPR greater than zero suggests that the pool is paying down faster than the expected amortization. Conversely, a CPR less than zero suggests that the pool is paying down more slowly than the expected amortization.

- **Total CPR** – A broad measure of prepayment activity including both voluntary and involuntary prepayments
- **Voluntary CPR** – The portion of Total CPR attributable to pool principal balance paid down prematurely by borrowers in a given period
- **Involuntary CPR** – The portion of Total CPR attributable to defaults
- **Actual Balance (ACT)** – For any month, the month-ending outstanding principal and, for loans not in a P&I repayment status (e.g. school, deferment, etc.), the interest accrued that is yet to be capitalized
- **Scheduled Payment (PMT)** – The monthly payment due on a loan; not impacted by forbearance, deferment, or any concession
- **Expected Balance (EXP)** – For any month, the prior month's Actual Balance plus the current month's interest accrued less the Scheduled Payment
- **Prepayment** – Any payment made during the month exceeding the Scheduled Payment
- **Single Month Mortality Rate (SMM)** – The percentage of the Expected Balance prepaid in a given month
- **Survival Rate (SR)** – The percentage of the Expected Balance not prepaid in a given month

Factors Impacting Prepayments	Total CPR	Voluntary CPR
Capitalization of accrued interest after school and six month grace	No impact	No impact
Borrower's payment equals the Scheduled Payment	No impact	No impact
Borrower makes an extra payment on the loan (i.e., principal curtailment)	+	+
Borrower pays off the loan balance prior to loan's scheduled maturity	+	+
Loan is paid in full through a loan consolidation	+	+
Forbearance, deferment, or any concession	–	–
Delinquency	–	–
Default	+	No impact
Borrower benefit interest rate discounts	No impact	No impact

Legend	+	Impact is positive	–	Impact is negative

Smart Option Loan Program: Prepayment Methodology

Calculations

$$Prepayment_t = EXP_t - ACT_t$$

$$SMM_t = Prepayment_t / EXP_t$$

$$SR_t = ACT_t / EXP_t = 1 - SMM_t$$

$$CPR_n = 1 - \left[\prod_{t=1}^{3} SR_t \right]^4$$

$where:$

$n = quarter$

$t = month\ of\ quarter$

Examples(1)

t	PMT_t	ACT_t	EXP_t	$Prepayment_t$	SMM_t	SR_t	CPR
0		$10,000					
Borrower is in school ($25 fixed payment due)							
1	$25	$10,029	$10,029	$0	0.0%	100.0%	
2	$25	$10,058	$10,058	$0	0.0%	100.0%	
3	$25	$10,088	$10,088	$0	0.0%	100.0%	0.0%
Borrower is in P&I repayment (full P&I payment due)							
1	$114	$9,891	$9,941	$50	0.5%	99.5%	
2	$114	$9,781	$9,831	$50	0.5%	99.5%	
3	$114	$9,670	$9,720	$50	0.5%	99.5%	5.9%
Borrower uses forbearance in period 3 (full P&I payment due)							
1	$114	$9,941	$9,941	$0	0.0%	100.0%	
2	$114	$9,881	$9,881	$0	0.0%	100.0%	
3	$114	$9,934	$9,821	($114)	-1.2%	101.2%	-4.7%

(1) *Calculations assume a 6.5% interest rate and a standard 10-year loan repayment term. Starting loan balance is $10,000 for all three scenarios.*