Earnings Presentation

1st Quarter 2024

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CAUTIONARY NOTE AND DISCLAIMER REGARDING FORWARD LOOKING STATEMENTS

The following information is current as of April 24, 2024 (unless otherwise noted) and should be read in connection with the press release of SLM Corporation announcing its financial results for the quarter ended March 31, 2024, the Form 10-Q for the quarter ended March 31, 2024 filed with the Securities and Exchange Commission ("SEC") on April 24, 2024, 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 (as hereinafter defined) beliefs, opinions, or expectations and statements that assume or are dependent upon future events, are forward-looking statements. These include, but are not limited to: strategies; goals and assumptions of SLM Corporation and its subsidiaries, collectively or individually as the context requires (the "Company"); the Company's expectation and ability to execute loan sales and share repurchases; statements regarding future developments surrounding COVID-19 or any other pandemic, including, without limitation, statements regarding the potential impact of any such 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 our common stock in the future, subject to the approval of our Board of Directors; the Company's 2024 guidance; the Company's three-year horizon outlook; the impact of acquisitions we have made or may make in the future; the Company's projections regarding originations, net charge-offs, non-interest expenses, earnings, balance sheet position, and other metrics; any estimates related to accounting standard changes; and any estimates related to the impact of credit administration practices changes, including the results of simulations or other behavioral observations.

Forward-looking statements are subject to risks, uncertainties, assumptions, and other factors, many of which are difficult to predict and generally beyond the control of the Company, which may cause actual results to be materially different from those reflected in such forward-looking statements. There can be no assurance that future developments affecting the Company will be the same as those anticipated by management. The Company cautions readers that a number of important factors could cause actual results to differ materially from those expressed in, or implied or projected by, 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 most recently filed Annual Report on Form 10-K 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 or regulations; our ability to timely develop new products and services and the acceptance of those products and services by potential and existing customers; changes in accounting standards and the impact of related changes in significant accounting estimates, including any regarding the measurement of our allowance for credit losses and the related provision expense; any adverse outcomes in any significant litigation to which the Company is a party; credit risk associated with the Company's exposure to third parties, including counterparties to the Company's derivative transactions; the effectiveness of our risk management framework and quantitative models; 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). We could also be affected by, among other things: changes in our funding costs and availability; reductions to our credit ratings; cybersecurity incidents, cyberattacks, and other failures or breaches of our operating systems or infrastructure, including those of third-party vendors; damage to our reputation; risks associated with restructuring initiatives, including failures to successfully implement cost-cutting programs and the adverse effects of such initiatives on our 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 our customers, or any change related thereto; changes in the general interest rate environment, including the rate relationships among relevant money-market instruments and those of our earning assets versus our funding arrangements; rates of prepayments on the loans owned by us; changes in general economic conditions and our ability to successfully effectuate any acquisitions; and other strategic initiatives. The preparation of our 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 oral and written forward-looking statements attributed to the Company are expressly qualified in their entirety by the factors, risks, and uncertainties set forth in the foregoing cautionary statements, and are made only as of the date of this Presentation or, where the statement is oral, as of the date stated. We do not undertake any obligation to update or revise any forward-looking statements to conform to actual results or changes in our expectations, nor to reflect events or circumstances that occur after the date on which such statements were made. In light of these risks, uncertainties, and assumptions, you should not put undue reliance on any forward-looking statements discussed.

1st Quarter 2024 Highlights

Balance Sheet & Capital Allocation

$2.6B
Private Education Loan Originations in Q1 2024 as compared to $2.4 billion in the year-ago quarter; 6% growth year-over-year.

6.1%
Private Education Loan allowance as a percentage of the ending total loan balance and accrued interest to be capitalized, down from 6.4% in the year-ago quarter.

$0.11
Common stock dividend paid in Q1 2024.

66%
Return on Common Equity[(5)], for quarter ended March 31, 2024.

13.5%
Total risk-based capital ratio; CET1 capital ratio of 12.3%.

1.3M
Shares repurchased in Q1 2024 under the 2024 share repurchase program at an avg. price of $20.32 per share; $623 million left under repurchase program authorization as of March 31, 2024.

Income Statement & Earnings Summary

$285M
GAAP Net Income attributable to common stock in Q1 2024.

$1.27
Q1 2024 GAAP diluted earnings per common share.

5.49%
Net interest margin for Q1 2024; down from 5.70% in Q1 2023.

$143M
Gain on sale of loans in Q1 2024; coupled with related allowance release of $133 million results in $0.92 of diluted earnings per common share.

$160M
Total operating expenses in Q1 2024, as compared to $155M in the year-ago quarter.

Additional Key Performance Metrics

Loan Sales

$2.1B

Private Education Loans, including $1.95 billion of principal and $151 million in capitalized interest, sold to an unaffiliated third party in Q1 2024.

Funding & Liquidity

Deposit portfolio balances at the end of Q1 2024 were 3% lower than YE 2023; Q1 2024 mix of brokered vs. retail and other is approximately 49% and 51%, respectively.

2%

Uninsured deposits as a percentage of total deposits as of 3/31/2024.

$135M

Unrealized losses on marketable securities portfolio as of 3/31/2024.

40 bps

Approximate regulatory capital charge that would result if losses were realized.

Credit Performance

$12M

Q1 2024 provision for credit losses was $145 million, which was a 26% increase from the year-ago period. This increase was related to volume and prepayment assumption updates and was offset by a release of $133 million associated with the loan sale completed during the quarter.

3.41%

Percentage of Private Education Loans delinquent 30+ days for Q1 2024. **2.70%** when excluding loans in a loan modification qualifying period.

1.5%

Percentage of Private Education Loans in an extended grace period for Q1 2024[11]; **1.0%** of loans in hardship and other forbearance in Q1 2024.

$83M

Net charge-offs for Q1 2024; **2.1%** of average loans in repayment (annualized).

- Encouraged by the early performance of our new loss mitigation programs.
- Observing continued improvement in our roll to default rates as well as positive performance trends in all stages of delinquencies.

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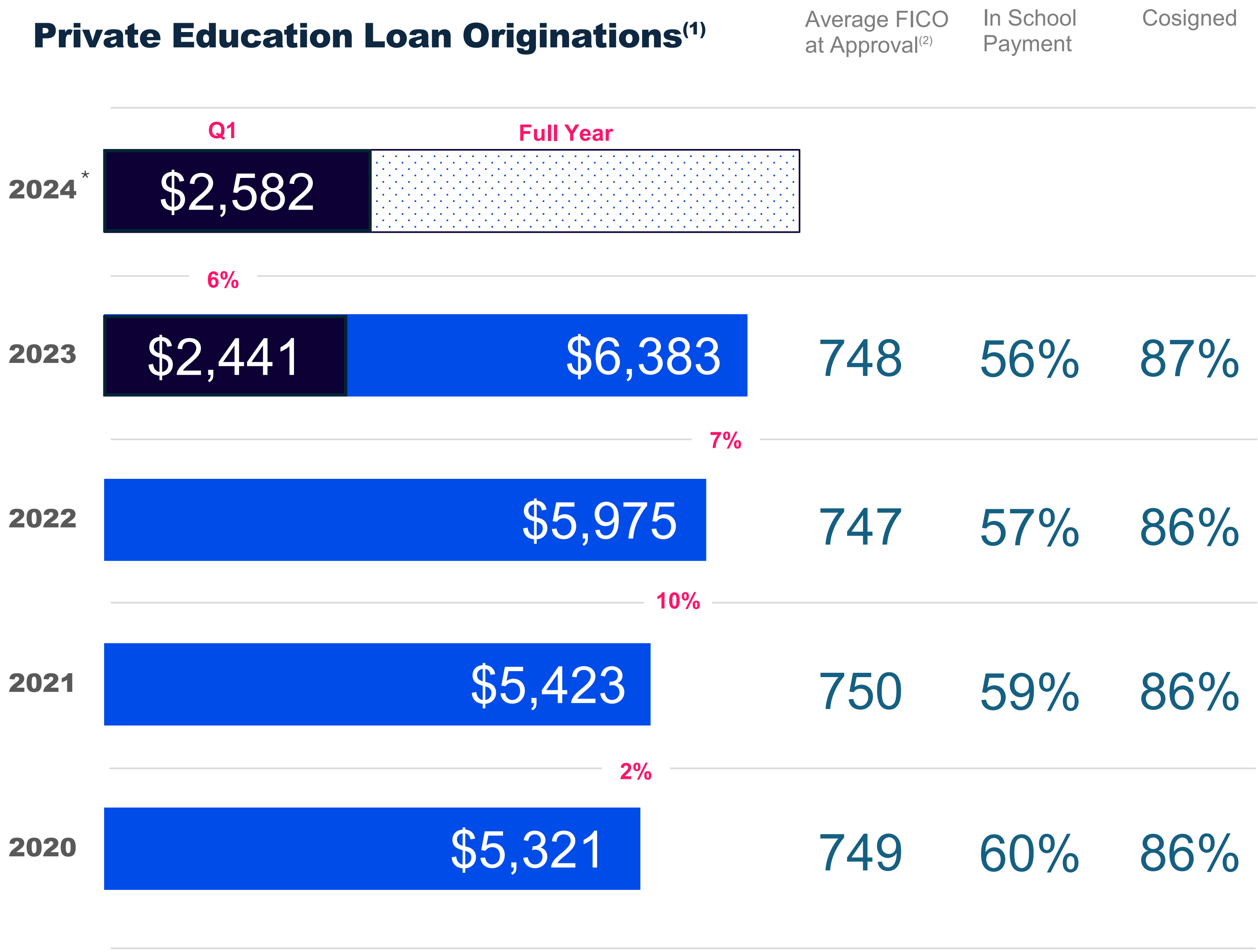
Private Education Loan Trends

- First quarter 2024 originations at approximately $2.6 billion, 6% higher than the year-ago quarter.
- Q1 2024 Application and origination volume for underclassmen continues to increase, with applications increasing 3% from Q1 2023 and originations increasing 8% from Q1 2023.

Q1 2024	748 Average FICO at Approval(2)	55% In School Payment	91% Cosigned
Q1 2023	746 Average FICO at Approval(2)	56% In School Payment	89% Cosigned

Private Education Loan Originations(1)



* The shaded block representing full year 2024 originations is a projected estimate. These estimates and related comments constitute forward-looking statements and are based on Q1 2024 performance and management's current expectations and beliefs. There can be no guarantee as to whether and to what extent these estimates will be achieved. The Company undertakes no obligation to revise or release any revision or update to these forward-looking statements. See our Forward-Looking Statements disclosures on pg. 2 for more information

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Quarterly Financial Highlights[3]

	Q1 2024	Q4 2023	Q1 2023
Income Statement ($ Millions)			
Total interest income	$664	$669	$638
Total interest expense	277	283	233
Net Interest Income	387	386	405
Less: provisions for credit losses	12	16	114
Total non-interest income	174	57	22
Total non-interest expenses	162	202	157
Income tax expense	97	57	37
Net Income	290	168	119
Preferred stock dividends	5	5	4
Net income attributable to common stock	285	164	114
Ending Balances ($ Millions)			
Private Education Loans held for investment, net	$19,688	$19,772	$20,498
FFELP Loans held for investment, net	513	534	590
Deposits	$20,903	$21,653	$21,804
Brokered	10,289	10,275	10,275
Retail and other	10,614	11,378	11,529

	Q1 2024	Q4 2023	Q1 2023
Key Performance Metrics			
Net Interest Margin	5.49%	5.37%	5.70%
Yield—Total Interest-earning assets	9.41%	9.30%	8.97%
Private Education Loans	11.01%	11.02%	10.66%
Cost of Funds	4.18%	4.17%	3.47%
Return on Assets (“ROA”)[4]	4.1%	2.3%	1.7%
Return on Common Equity (“ROCE”)[5]	65.6%	40.2%	30.5%
Private Education Loan Sales	$2,100	$1,100	$ -
Per Common Share			
GAAP diluted earnings per common share	$1.27	$0.72	$0.47
Average common and common equivalent shares outstanding (millions)	224	227	244

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Credit Performance[6][7][8][9]

Private Education Loans Held for Investment

	Quarters Ended					
	MAR. 31, 2024		DEC. 31, 2023		MAR. 31, 2023	
($ Thousands)	Balance	%	Balance	%	Balance	%
Loans in repayment and percentage of each status:						
Loans current	$ 14,451,606	96.6%	$ 14,809,271	96.1%	$ 15,446,182	96.6%
Loans delinquent 30-59 days	240,035	1.6%	298,751	1.9%	267,000	1.7%
Loans delinquent 60-89 days	133,921	0.9%	151,017	1.0%	140,786	0.9%
Loans 90 days or greater past due	136,130	0.9%	150,775	1.0%	136,491	0.8%
Total private education loans in repayment	$ 14,961,692	100.0%	$ 15,409,814	100.0%	$ 15,990,459	100.0%
Delinquencies as % of loans in repayment		3.4%		3.9%		3.4%
Delinquencies, excluding those loans within a loan modification qualifying period, as a % of loans in repayment[10]		2.7%		3.2%		3.1%
Loans in forbearance	$ 387,957		$ 324,039		$ 221,158	
Percentage of loans in forbearance:						
Percentage of loans in an extended grace period[11]		1.5%		1.1%		0.4%
Percentage of loans in hardship and other circumstances[13]		1.0%		1.0%		1.0%
Allowance as a % of the ending loans in repayment and accrued interest to be capitalized on loans in repayment		8.7%		8.4%		9.0%
Net charge-offs as a % of average loans in repayment (annualized)		2.14%		2.43%		2.11%

Allowance for Credit Losses

Consolidated Statements of Income – Provision for Credit Losses Reconciliation

($ THOUSANDS)	Quarter Ended March 31, 2024	
	BALANCE	
Private Education Loan provision for credit losses:		
Provision for loan losses	$	(38,728)
Provision for unfunded loan commitments		50,686
Total Private Education Loan provisions for credit losses	$	11,958
Other Impacts to the provision for credit losses:		
FFELP Loans	$	83
Provisions for credit losses reported in consolidated statements of income	$	12,041

Factors affecting the Provision for Credit Losses 1st Quarter 2024

- Sale of $2.1 billion of Private Education loans in the quarter released $133 million in allowance and resulted in an overall reduction to provision for the period.
- Provision was also impacted by the increase to unfunded loan commitments in the first quarter. Unfunded commitments were up almost 50% in the 1st quarter of 2024 as compared to the 4th quarter of 2023.

2024 Guidance*

For the full year 2024, the Company expects:

$2.60 - $2.70

GAAP Diluted Earnings Per Common Share**

7% - 8%

Private Education Loan Originations Year-over-Year Growth

$340 - $370 million, or **2.2% - 2.4%**(12)

Total Loan Portfolio Net Charge-Offs

$635 - $655 million

Non-Interest Expenses

* The 2024 Guidance and related comments constitute forward-looking statements and are based on management's current expectations and beliefs. There can be no guarantee as to whether and to what extent this guidance will be achieved. The Company undertakes no obligation to revise or release any revision or update to these forward-looking statements. See our Forward-Looking Statements disclosures on pg. 2 for more information.

** We have discontinued reporting Non-GAAP "Core Earnings", and its related metrics, including Diluted Non-GAAP "Core Earnings" Per Common Share (the results of which were identical to our GAAP Diluted Earnings Per Common Share for the last eight quarters (including Q1 2024)). As such, for purposes of our 2024 Guidance, we are now using the GAAP Diluted Earnings Per Common Share metric. No estimated numbers have changed, nor have any other changes been made to our previously issued 2024 Guidance. See Footnote (3) on pg. 10 for a more detailed explanation regarding our decision to discontinue reporting Non-GAAP "Core Earnings."

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Footnotes

1. Originations represent loans that were funded or acquired during the period presented.
2. Represents the higher credit score of the cosigner or the borrower.
3. We prepare financial statements in accordance with GAAP. However, we previously also produced and reported our after-tax earnings on a separate basis that we referred to as “Core Earnings.” The difference between our previously reported Non-GAAP “Core Earnings” and its most closely associated GAAP metric, GAAP results of operations, net of tax, was driven by unrealized, mark-to-fair value gains (losses) on derivative contracts that did not qualify for hedge accounting treatment under GAAP. While derivatives continue to be a critical element of our interest rate risk management strategy, and we continue to enter into derivative instruments to economically hedge interest rate and cash flow risk associated with our portfolio, we have only invested in derivative instruments that qualify for hedge accounting treatment under GAAP during the past eight quarters (including the first quarter of 2024), and as such there has been no difference between GAAP results of operations, net of tax and non-GAAP "Core Earnings" reported for those quarters. As a result, we no longer believe that it is meaningful to report this Non-GAAP metric, nor its related metrics (Non-GAAP “Core Earnings” ROA, Non-GAAP “Core Earnings” ROCE, and Non-GAAP “Core Earnings” diluted earnings per common share) and have discontinued doing so beginning in Q1 2024. We are continually assessing how best to present our financial results, and if useful and meaningful, may decide to report future non-GAAP earnings (with appropriate reconciliation to GAAP) in a different way.
4. 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.
5. 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.
6. 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).
7. 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.
8. The period of delinquency is based on the number of days scheduled payments are contractually past due.
9. Accrued interest to be capitalized on loans in repayment includes interest on loans that are in repayment but have not yet entered full principal and interest repayment status after any applicable grace period (but, for purposes of the table, does not include interest on those loans while they are in forbearance).
10. This metric excludes loans in a loan modification qualifying period. When giving a customer facing financial difficulty an interest rate reduction under our programs, we evaluate their ability to pay and provide customized repayment terms based upon their financial condition. As part of demonstrating the ability and willingness to pay, the customer must make three consecutive monthly payments at the reduced payment to qualify for the program. After successfully completing the qualifying period (if eligible), borrowers will have their interest rate reduced, term extended and be brought current, consistent with established loan program servicing policies and procedures.
11. We calculate the percentage of loans in an extended grace period forbearance as the ratio of (a) Private Education Loans in forbearance in an extended grace period numerator to (b) Private Education Loans in repayment and forbearance denominator. An extended grace period aligns with The Office of the Comptroller of the Currency definition of an additional, consecutive, one-time period during which no payment is required for up to six months after the initial grace period. We typically grant this extended grace period to customers who may be having difficulty finding employment before the full principal and interest repayment period starts or once it has begun.
12. Net charge-offs as a percentage of average loans in repayment.
13. We calculate the percentage of loans in hardship and other forbearances as the ratio of (a) Private Education Loans in hardship and other forbearances (excluding loans in an extended grace period) numerator to (b) Private Education Loans in repayment and forbearance denominator. If the customer is in financial hardship, we work with the customer and/or cosigner and identify any available alternative arrangements designed to reduce monthly payment obligations, which may include a short-term hardship forbearance.