



Credit Suisse Financial Services Forum
February 4, 2009

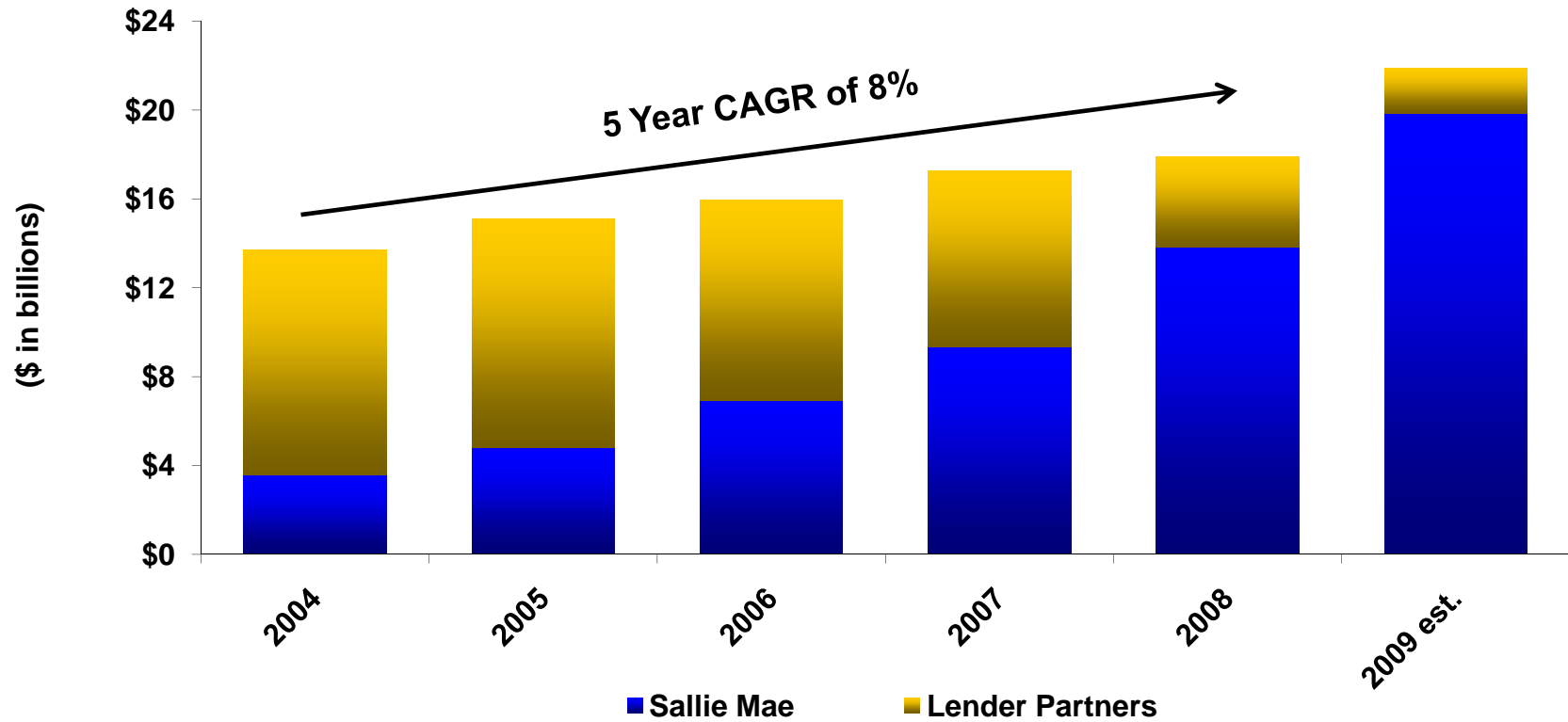
Forward-Looking Statements

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 our beliefs or expectations and statements that assume or are dependent upon future events, are forward-looking statements. 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 occurrence of any event, change or other circumstances that could give rise to our ability to cost-effectively refinance asset-backed financing facilities due February 2009, (collectively, the "2008 Asset-Backed Financing Facilities"), including any potential foreclosure on the student loans under those facilities following their termination; increased financing costs; limited liquidity; any adverse outcomes in any significant litigation to which we are a party; our derivative counterparties terminating their positions with the Company if permitted by their contracts and the Company substantially incurring additional costs to replace any terminated positions; changes in the terms of student loans and the educational credit marketplace (including changes resulting from new laws and regulations and from the implementation of applicable laws and regulations) which, among other things, may change the volume, average term and yields on student loans under the Federal Family Education Loan Program ("FFELP"), may result in loans being originated or refinanced under non-FFELP programs, or may affect the terms upon which banks and others agree to sell FFELP loans to the Company. The Company could also be affected by: various liquidity programs being implemented by the federal government, changes in the demand for educational financing or in financing preferences of lenders, educational institutions, students and their families; incorrect estimates or assumptions by management in connection with the preparation of our consolidated financial statements; changes in the composition of our Managed FFELP and Private Education Loan portfolios; changes in the general interest rate environment, including the rate relationships among relevant money market instruments, and in the securitization markets for education loans, which may increase the costs or limit the availability of financings necessary to initiate, purchase or carry education loans; changes in projections of losses from loan defaults; changes in general economic conditions; changes in prepayment rates and credit spreads; and changes in the demand for debt management services and new laws or changes in existing laws that govern debt management services. All forward-looking statements contained in the 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 the statement to actual results or changes in the Company's expectations.

Sallie Mae Proposition

- **Strong business fundamentals**
- **Competitive, scale franchise**
- **FFELP profitability assured through 2010**
- **Liquidity improving and adequate to meet debt service**
- **ED facility provides unlimited funding for new FFELP originations through AY 09/10**
- **Expanding deposit funding – provides funding for new Private Credit Originations**
- **Asset class performs well despite weakening consumer credit**

FFELP Originations



- FFELP originations increased 25% in the 4th quarter

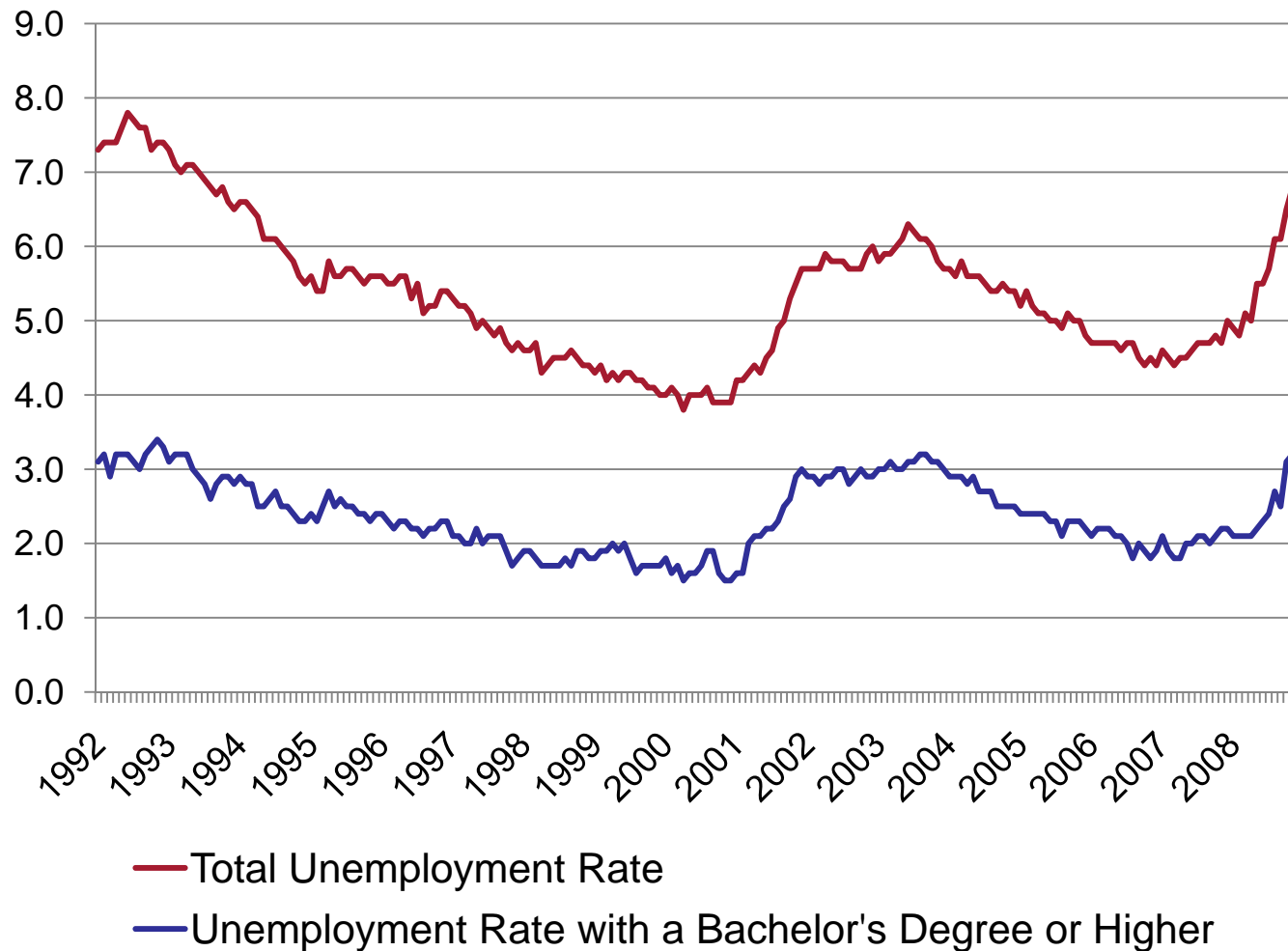
FFELP Funding

- **\$7.4 billion funded through the ED Purchase and Participation Program at CP + 50 basis points**
- **Participation and Purchase Programs extended for the AY 09/10**
- **ED Conduit Program (Straight A Funding) is expected to begin in February**
- **The Federal Reserve expects to commence lending under TALF in February**

Private Education Loan Originations

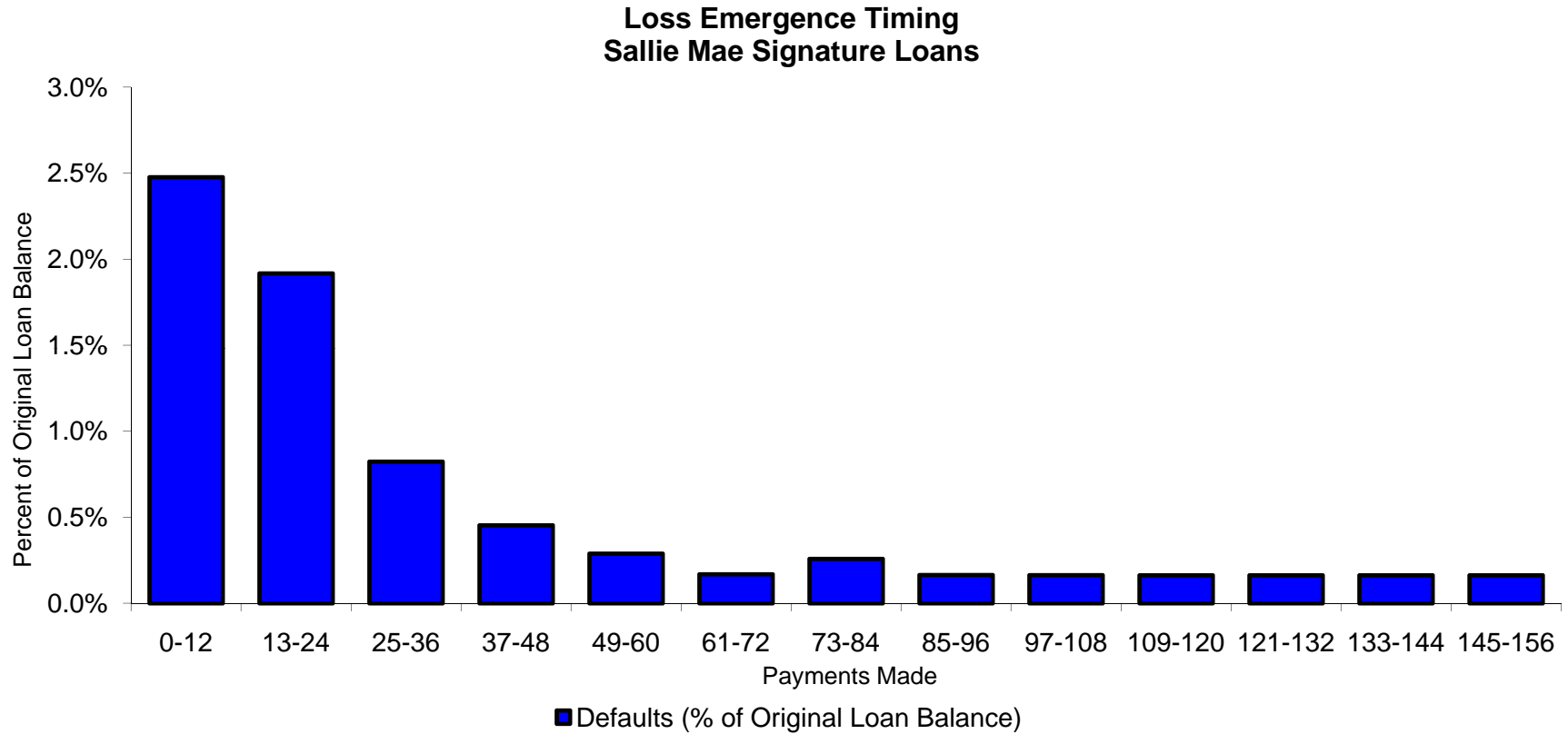
- **Originated \$6.3 billion in 2008**
- **Average FICO score in Q4 '08 increased from prior year by 26 points to 738**
- **74% of new loan originations had co-borrowers, up from 57% in prior year**
- **Product pricing reflects current funding environment**
- **Raised \$1.6 billion in Q408 in term bank deposits with a weighted average maturity of 2.2 years**

Recession Has Smaller Impact On College Grads

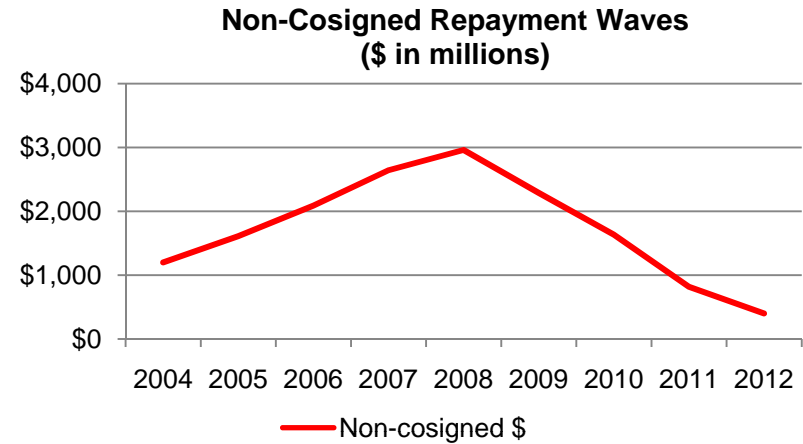
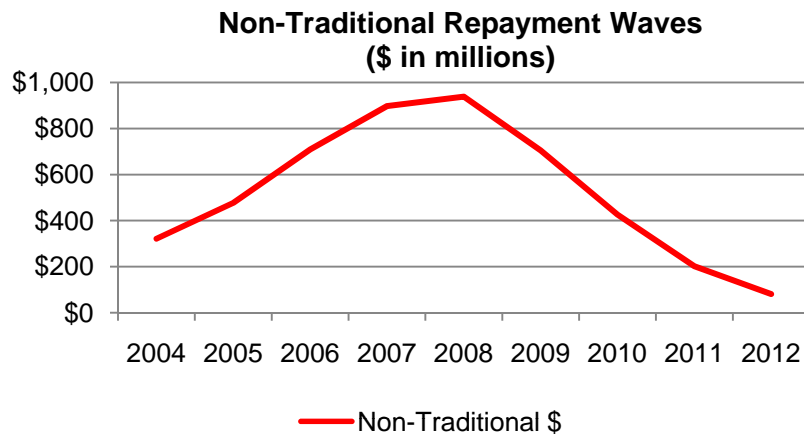


Source: U.S. Department of Labor, Bureau of Labor Statistics

SLM Private Credit Default Emergence Profile – Payments Made



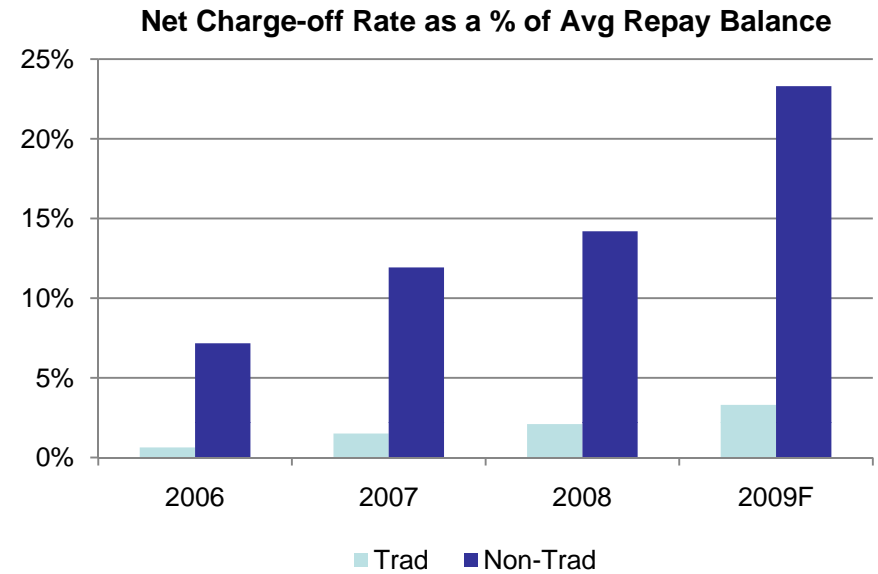
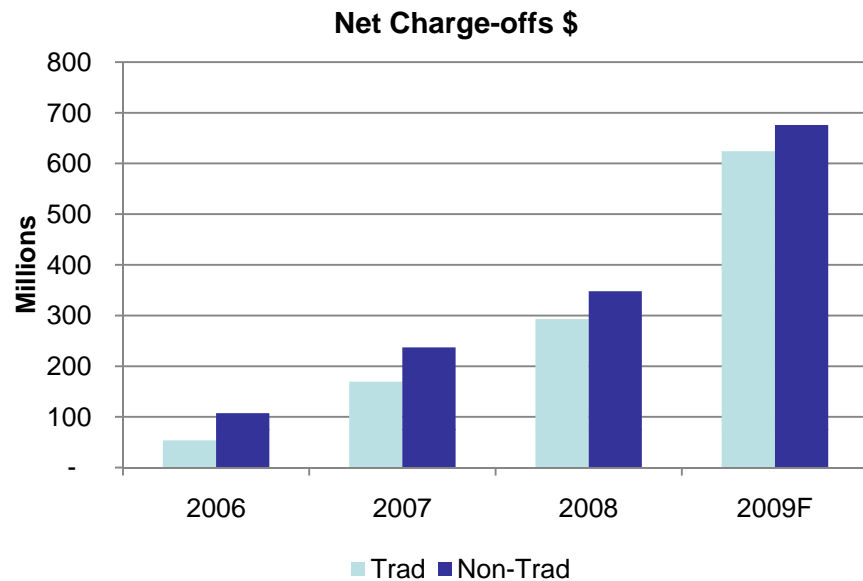
Portfolio Quality Increasing



Amounts shown above show dollar amount of loans that will enter repayment

- **Non-Traditional net charge-off rate is 6x greater than Traditional**
- **74% of new loan originations had co-borrowers, up from 57% in prior year, objective is 90% cosigned loans**
- **Non cosigned loans charge off at more than twice the rate of cosigned loans**

Default Trends – Mix of Traditional vs. Non-Traditional



- **Net charge-offs driven by Non-Traditional loans**
- **Non-Traditional loans represents 14% of the Private Education Loan portfolio**
- **Higher Quality loans entering repayment in 2009 and 2010**

Changes to Forbearance Policy

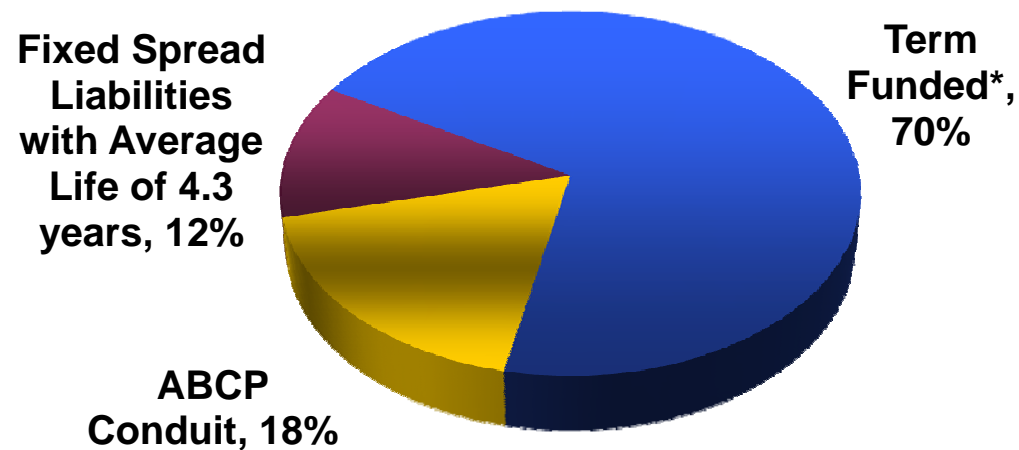
- **Small segment (18%) of loans that are in forbearance account for majority (58%) of defaults**
- **Of the remaining 82% of borrowers who received forbearance only 6% have defaulted**
- **Reducing forbearance to certain borrowers will accelerate \$225 million of charge offs into 2009**
- **Forbearance is an effective and beneficial tool for both borrower and lender**

Liquidity Position Update

- **ED Purchase and Participation Program used for all new FFELP originations**
- **Bank Deposits used for all new Private Education Loan originations**
- **ED Conduit (Straight A Funding) used for Term Financing for Short Term Prime FFELP Loans**
- **TALF used for Term Financing for Short Term Prime FFELP Loans, Consolidation & Private Education Loans**
- **\$30 Billion of existing loans that meet criteria for ED Conduit and/or TALF**

Funding Sources

\$180 Billion Managed Student Loan Portfolio

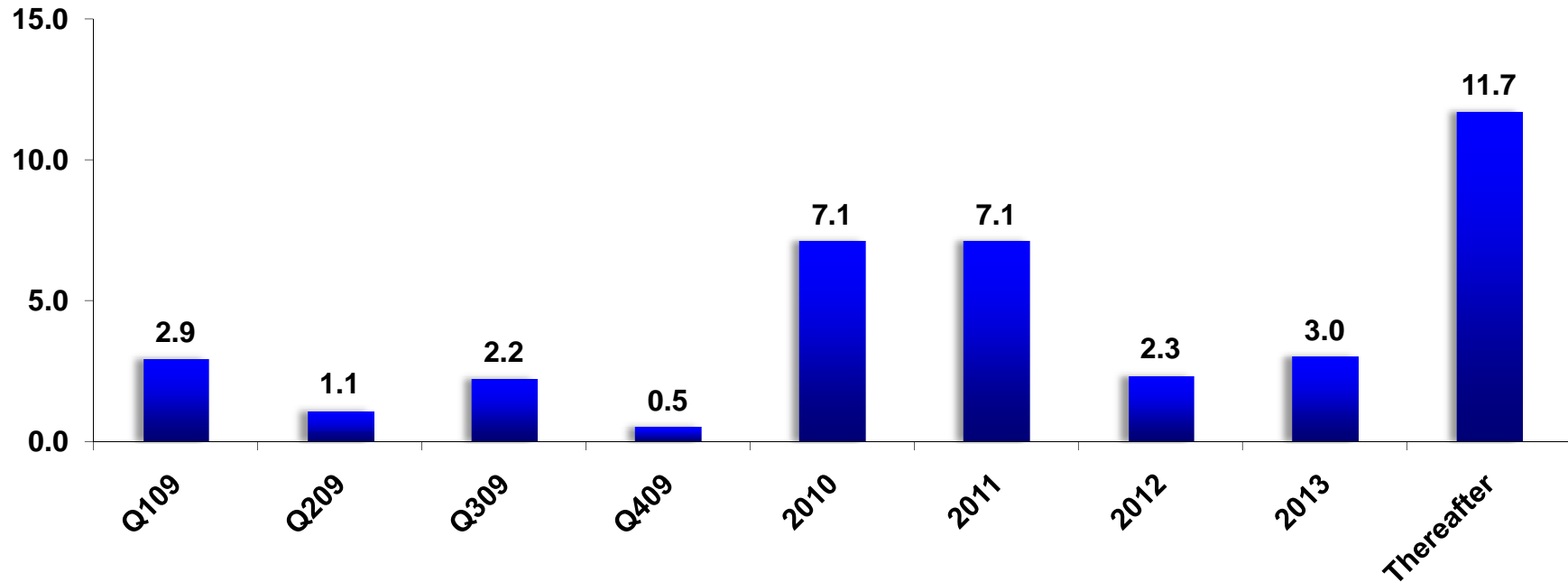


- Employ conservative long-term funding model

* Term Funded includes 4% or \$7.6 Billion of advances outstanding under the ED Purchase and Participation Program

Unsecured Debt Maturities

As of December 31, 2008
(par value, \$ in billions)



- On 01/22/09 S&P affirmed our senior unsecured debt rating of BBB-

Note: Does not include SLM Bank or Subsidiary funding

2009 Outlook

Originations

- \$5 - \$6 billion in Private Education Loans
- \$21 - \$23 billion in FFELP Loans

Credit Quality

- Private Education Loan Provision of approximately \$1 billion
- Total Provision of approximately \$1.2 billion
- Private Education Loan Charge-offs of \$1.3 billion with \$225 million related to changes in forbearance policy

Earnings

- Earnings per share between \$1.45 and \$1.65
- Assumes \$250 million in revenue from government put in 3rd quarter
- Assumes CP/LIBOR spread to average 10 basis points

Summary

- **Strong business fundamentals**
- **Competitive, scale franchise**
- **FFELP profitability assured through 2010**
- **Emerging programs strengthen liquidity and improve profitability**

GAAP to “Core Earnings” EPS Reconciliation

(\$ in thousands, except per share amounts)

	Years Ended			
	December 31, 2008		December 31, 2007	
	Dollars	Diluted EPS	Dollars	Diluted EPS
GAAP net income (loss)	\$ (212,626)	\$ (0.69)	\$ (896,394)	\$ (2.26)
Adjustment from GAAP to "Core Earnings"				
Net impact of securitization accounting	442,190		(246,817)	
Net impact of derivative accounting	560,381		1,340,792	
Net impact of Floor Income	102,056		168,501	
Net impact of acquired intangibles	91,384		112,397	
Total "Core Earnings" Adjustments before income taxes and minority interest in net earnings of subsidiaries	1,196,011		1,374,873	
Net tax effect	(457,435)		81,845	
Total "Core Earnings" Adjustments	738,576		1,456,718	
"Core Earnings" net income	525,950	0.89	560,324	1.23
"Core Earning" net income adjusted for non-recurring items				
Merger-related financing fees	-		27,463	
Merger-related professional fees and other costs	-		35,456	
Restructuring Expenses	52,778		14,178	
Other reorganization-related asset impairments	4,136		-	
Impact to FFELP provision for loan losses due to legislative changes	-		27,726	
Deceleration of premium amortization expense on loans	(74,138)		-	
Acceleration of premium amortization expense on loans	51,777		-	
Total after tax non-recurring items	34,553	0.07	104,823	0.24