



2009 1st Quarter Review
April 23, 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 April 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, such as any laws enacted to implement the Administration's 2010 budget proposals as they relate to the Federal Family Education Loan Program ("FFELP") 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 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 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.

Q109 “Core Earnings” Summary

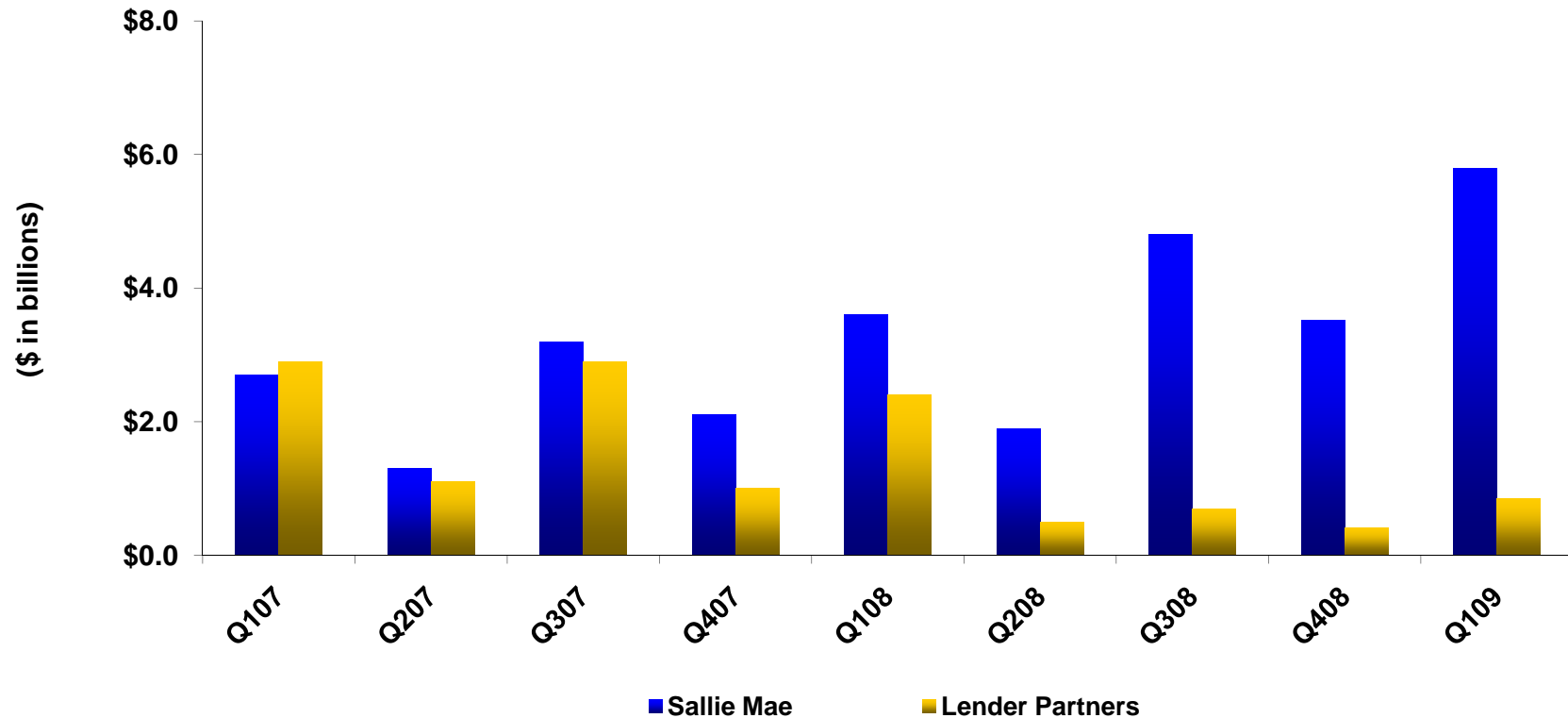
(\$ millions), except per share amounts	<u>Q109</u>	<u>Q408</u>	<u>Q108</u>
EPS (Reported)	(\$0.03)	\$0.08	\$0.34
Net Income	\$14	\$65	\$188
Net Interest Income	\$429	\$553	\$567
Net Interest Margin	0.89%	1.15%	1.24%
Loan Loss Provision	\$349	\$392	\$181
Asset-Backed Financing Facilities Fees	\$93	\$83	\$41
Fee Income	\$239	\$200	\$271
Operating Expenses	\$292	\$270	\$339
Tangible Capital Ratio	1.8%	1.8%	2.0%
Average Managed Student Loans	\$185,239	\$180,990	\$168,504
<u>EPS Breakdown</u>	<u>Q109</u>	<u>Q408</u>	<u>Q108</u>
Reported "Core Earnings"	(\$0.03)	\$0.08	\$0.34
Impacted by:			
Restructuring Charges	(\$0.01)	(\$0.01)	(\$0.03)
Purchased Paper Business	(\$0.10)	(\$0.05)	-
Non-Recurring Accounting Assumption Adjustments	-	-	(\$0.11)
CP-LIBOR Impact	(\$0.19)	(\$0.06)	-
Participation Program Interest Rate Lag	(\$0.05)	(\$0.01)	-

Lending Segment Earnings Detail

(\$ millions)	<u>Q109</u>	<u>Q408</u>	<u>Q108</u>
FFELP Originations	\$6,638	\$3,926	\$6,020
Private Originations	\$1,516	\$851	\$2,478
Total Originations	\$8,154	\$4,777	\$8,498
Net Student Loan Spread ⁽¹⁾	1.20%	1.49%	1.47%
Operating Expenses	\$131	\$129	\$164
OpEx Annualized as a % Average Managed Student Loans	0.29%	0.29%	0.39%
Floor Income	\$28	\$44	\$38
FFELP Third Party Serviced Loans Originated	\$1,019	\$448	\$764

(1) "Core Earnings" basis before 2008 Asset-Backed Financing Facilities Fees

FFELP Loan Originations



- Sallie Mae FFELP originations increased 61% representing 87% of total FFELP originations
- Originated \$1 Billion of loans for third party servicing clients in the quarter

Liquidity Position Update

(\$ in billions)	<u>3/31/2009</u>	<u>12/31/2008</u>	<u>3/31/2008</u>
<u>Sources of Primary Liquidity:</u>			
ED Purchase and Participation Program	Unlimited	Unlimited	-
Unrestricted Cash & Liquid Investments	\$3.7	\$5.0	\$4.9
Unused Commercial Paper and Bank Lines of Credit ⁽¹⁾	5.2	5.2	6.5
2008 FFELP ABCP Facilities	0.1	0.8	6.9
2008 Private ABCP Facilities	<u>0.0</u>	<u>0.3</u>	-
Total Sources of Primary Liquidity	9.0	11.3	18.4
<u>Stand-by Liquidity:</u>			
Unencumbered FFELP Loans	<u>5.0</u>	<u>5.2</u>	<u>19.2</u>
Total Primary and Stand-by Liquidity ⁽²⁾	<u>\$14.0</u>	<u>\$16.6</u>	<u>\$37.5</u>

(1) At both March 31, 2009 and December 31, 2008, excludes commitments of \$308 million, from Lehman Brothers Bank, FSB, a subsidiary of Lehman Brothers Holdings, Inc. which declared bankruptcy on September 15, 2008.

(2) Numbers may not add due to rounding

Liquidity Position Detail

(\$ in millions)	<u>Gross Principal</u>
Unencumbered FFELP Stafford & Other	\$4,358
Unencumbered FFELP Consolidation	<u>\$643</u>
Unencumbered Total FFELP loans	\$5,001
Unencumbered Private Education Loans	<u>\$15,662</u>
Total Unencumbered Loans, gross	<u>\$20,663</u>
Unrestricted cash and liquid investments	<u>Available Capacity</u>
Cash and cash equivalents	\$3,064
U.S. Treasury-backed securities	-
Commercial paper (CP) and asset-backed CP	\$410
Certificates of Deposit	-
Other ⁽¹⁾	<u>\$184</u>
Total unrestricted cash and liquid investments ⁽²⁾	<u>\$3,658</u>

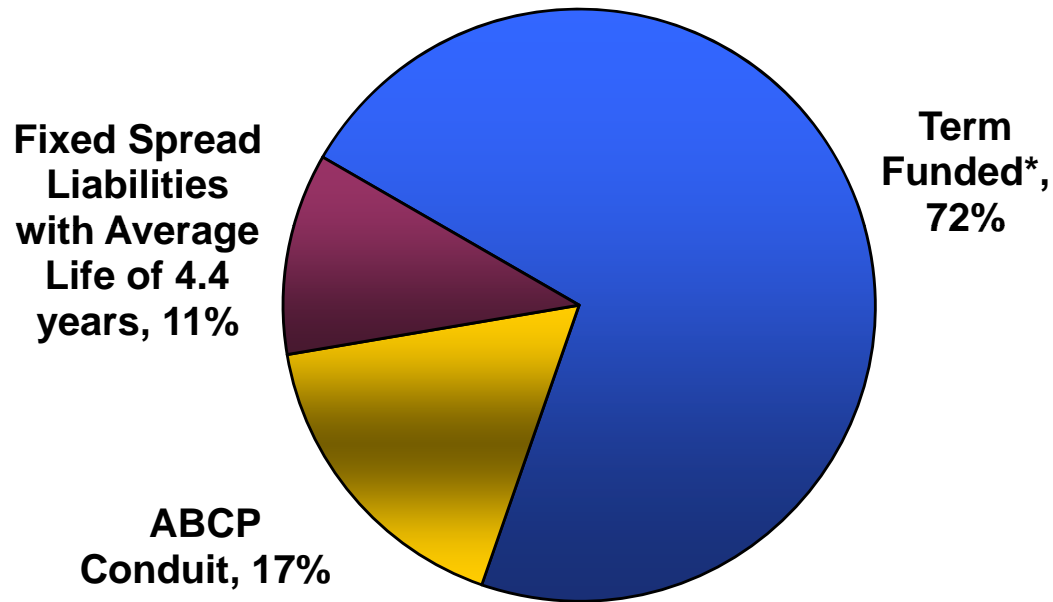
SLM has \$5.5 bn in unsecured revolving credit facilities. The Company has never drawn on these facilities. The facilities include a \$1.5 bn revolving credit facility maturing in October 2009, \$2.0 bn maturing in Oct. 2010 and \$2.0 bn maturing in Oct. 2011.

(1) Includes \$64 million due from The Reserve Primary Fund

(2) Includes \$911 million of cash collateral pledged by derivative counterparties and held by the Company in Unrestricted cash

Funding Sources

\$185 Billion Managed Student Loan Portfolio

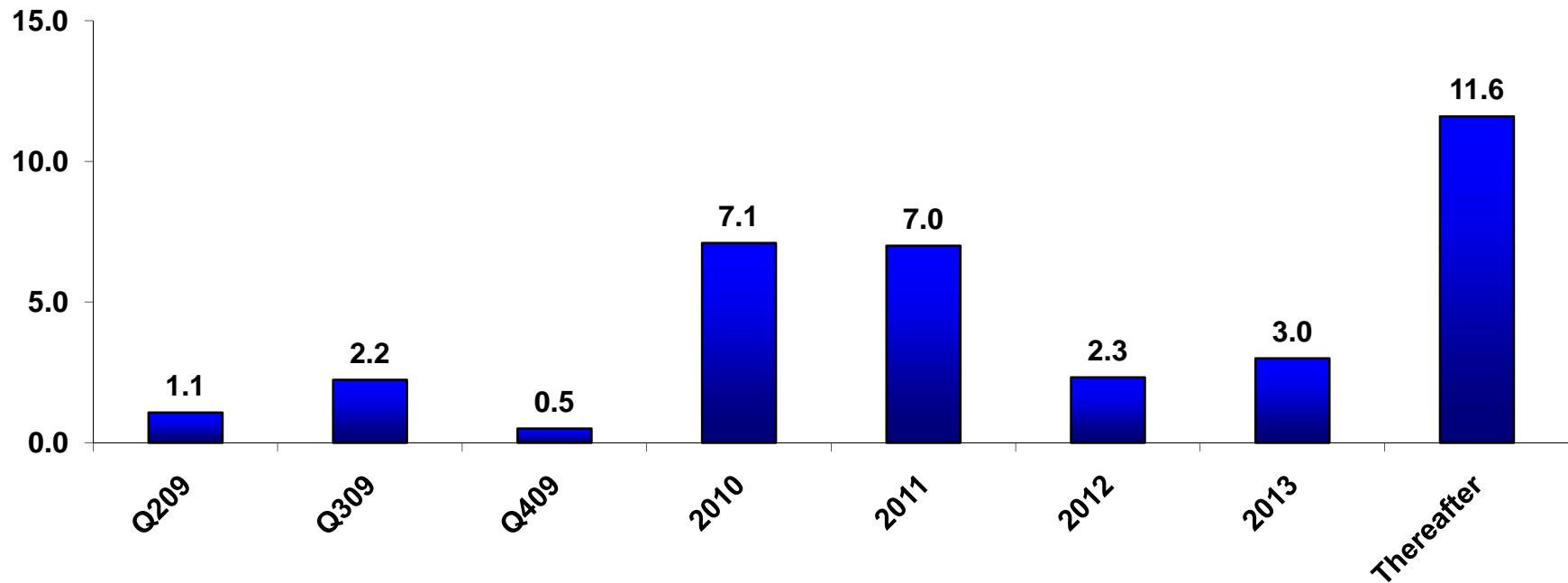


- Employ conservative long-term funding model

* Term Funded includes 7% or \$13.6 Billion of advances outstanding under the ED Purchase and Participation Program

Unsecured Debt Maturities

As of March 31, 2009
(par value, \$ in billions)



- Repurchased \$144 million of debt in Q109
- Remaining unsecured debt maturities in 2009 total \$3.8 billion

Note: Does not include SLM Bank or Subsidiary funding

Sources of Free Cash Flow

(\$ in billions)	<u>2008</u>	<u>Q109</u>
Securitization Trusts	\$2.6	\$0.4
Repayment and Loan Sales	\$5.5	\$1.5
Other	<u>(\$0.9)</u>	<u>\$0.5</u>
Total	\$7.2	\$2.4

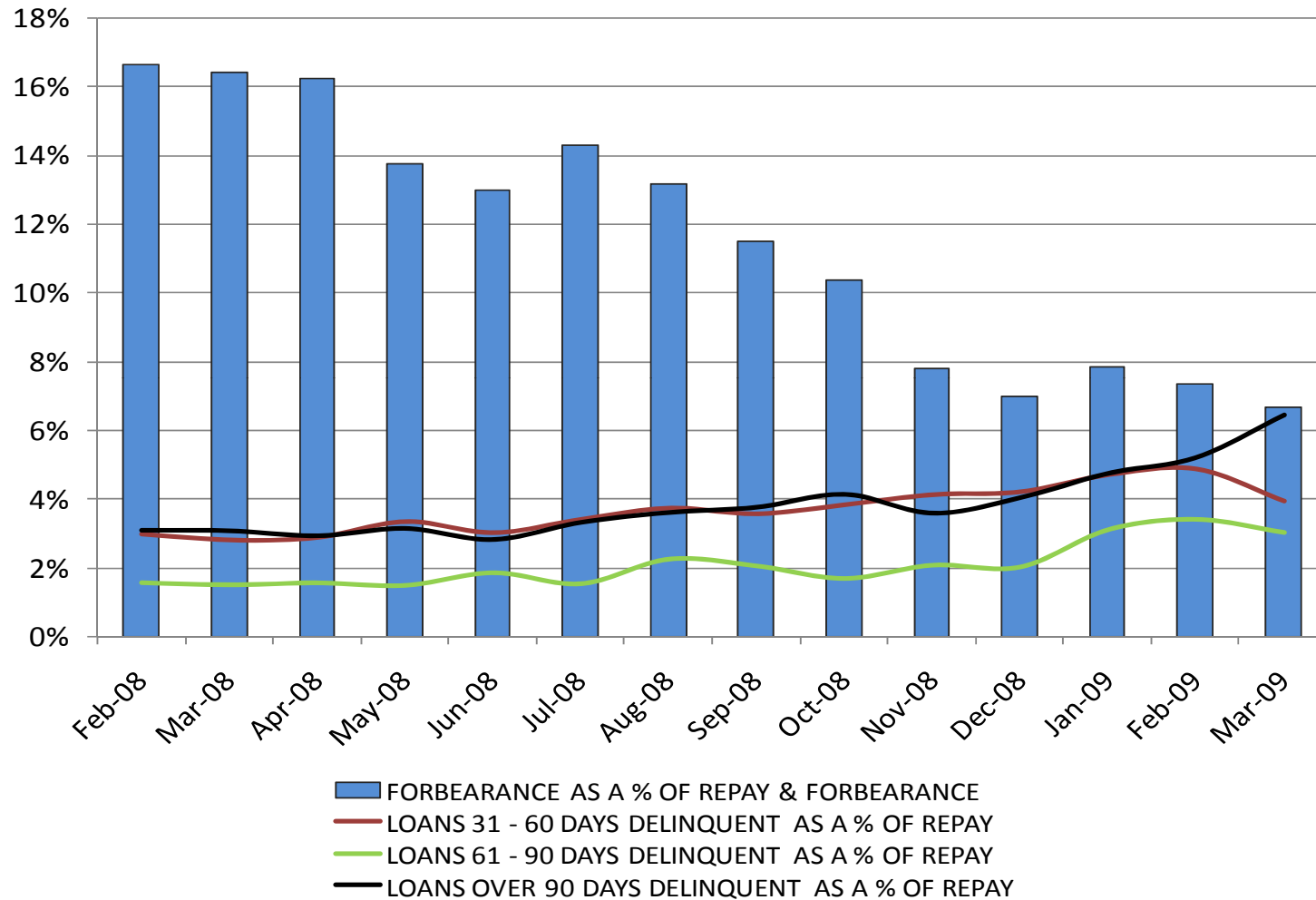
- Securitization Trusts Generate Free cash flow through servicing fees and the residual
- Student Loan Repayments are consistent and predictable
- Other Sources of free cash flow include net income, floor income and other cash payments

Private Education Loan Portfolio Performance

	<u>Q109</u>	<u>Q408</u>	<u>Q3 08</u>	<u>Q2 08</u>	<u>Q1 08</u>
Net Charge-offs - Traditional Portfolio ⁽¹⁾	2.2%	1.7%	1.4%	1.4%	1.1%
Net Charge-offs - Non-Traditional Portfolio ⁽¹⁾	14.5%	12.3%	10.0%	11.5%	10.3%
90+ Day Delinq as a % of Repay - Traditional Portfolio	4.3%	2.6%	2.3%	1.6%	1.8%
90+ Day Delinq as a % of Repay - Non-Traditional Portfolio	19.1%	12.7%	11.9%	9.8%	10.7%
Forb as a % of Forb & Repay - Traditional Portfolio	6.3%	6.7%	11.0%	12.0%	15.5%
Forb as a % of Forb & Repay - Non-Traditional Portfolio	8.5%	9.0%	14.4%	18.5%	21.4%
Allowance as a % of Loans in Repay - Traditional Portfolio	5.4%	4.8%	4.7%	4.0%	4.3%
Allowance as a % of Loans in Repay - Non-Traditional Portfolio	32.2%	31.8%	35.0%	38.0%	41.3%

(1) Net charge-offs as a percentage of average loans in repayment annualized for the quarters presented

Private Education Loan Portfolio Performance



Private Education Loan Portfolio Performance

Traditional Loans with a Cosigner

	Q108	Q208	Q308	Q408	Q109
90+ Delinquency as a % of Repayment	1.2%	1.1%	1.7%	1.9%	3.2%
Forbearance as a % of Repayment & Forbearance	15.3%	11.7%	10.6%	6.4%	6.0%
Charge-Offs as a % of Repayment	0.8%	1.0%	1.0%	1.1%	1.5%

Traditional Loans without a Cosigner

	Q108	Q208	Q308	Q408	Q109
90+ Delinquency as a % of Repayment	2.2%	2.0%	2.9%	3.3%	5.6%
Forbearance as a % of Repayment & Forbearance	15.9%	12.3%	11.5%	6.9%	6.6%
Charge-Offs as a % of Repayment	2.1%	2.4%	2.4%	2.6%	3.4%

Non-Traditional Loans with a Cosigner

	Q108	Q208	Q308	Q408	Q109
90+ Delinquency as a % of Repayment	6.8%	6.3%	7.9%	9.1%	13.8%
Forbearance as a % of Repayment & Forbearance	20.7%	18.7%	15.1%	10.0%	9.9%
Charge-Offs as a % of Repayment	5.5%	6.3%	6.1%	6.5%	7.8%

Non-Traditional Loans without a Cosigner

	Q108	Q208	Q308	Q408	Q109
90+ Delinquency as a % of Repayment	11.8%	11.0%	13.1%	13.7%	20.8%
Forbearance as a % of Repayment & Forbearance	21.5%	18.6%	14.1%	8.7%	8.0%
Charge-Offs as a % of Repayment	11.5%	13.3%	11.2%	13.8%	16.3%

GAAP to “Core Earnings” EPS Reconciliation

(\$ in thousands, except per share amounts)

	Quarters Ended			
	March 31, 2009		March 31, 2008	
	Dollars	Diluted EPS	Dollars	Diluted EPS
GAAP net loss attributable to SLM Corporation	\$ (21,386)	\$ (0.10)	\$ (103,804)	\$ (0.28)
Adjustment from GAAP to "Core Earnings"				
Net impact of securitization accounting	198,590		79,146	
Net impact of derivative accounting	(54,010)		363,368	
Net impact of Floor Income	(79,023)		5,577	
Net impact of acquired intangibles	9,664		15,329	
Total "Core Earnings" Adjustments before net tax effect	75,221		463,420	
Net tax effect	(39,951)		(171,302)	
Total "Core Earnings" Adjustments	35,270		292,118	
"Core Earnings" net income attributable to SLM Corporation	13,884	(0.03)	188,314	0.34
"Core Earning" net income adjusted for non-recurring items				
Restructuring Expenses	3,007		13,027	
Acceleration of premium amortization expense on loans	-		51,777	
Total after tax non-recurring items	3,007	0.01	64,804	0.14