Earnings Presentation

4th Quarter & Full-Year 2024

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CAUTIONARY NOTE AND DISCLAIMER REGARDING FORWARD LOOKING STATEMENTS

The following information is current as of January 23, 2025 (unless otherwise noted) and should be read in connection with the press release of SLM Corporation announcing its financial results for the quarter and year ended December 31, 2024, furnished to the Securities and Exchange Commission ("SEC") on January 23, 2025, 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 2025 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.

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4th Quarter & Full-Year 2024 Highlights

Balance Sheet & Capital Allocation

$7.0B
Private Education Loan Originations in Full-Year 2024, as compared to $6.4 billion in 2023.

10%
Private Education Loan Originations growth in Full-Year 2024. 17% Private Education Loan Originations growth compared to year-ago quarter.

3.1%
Full-Year 2024 Total Assets growth compared to 2023, inclusive of FFELP Loan portfolio sale. **5.7%** Private Education Loan balance growth in Full-Year 2024 compared to 2023.

$982M
Private Education Loan Originations in Q4 2024, as compared to $839 million in the year-ago quarter.

12.6%
Total risk-based capital ratio; CET1 capital ratio of 11.3%.

$0.13
Common stock dividend per share paid in Q4 2024

$402M
Capacity remaining under the 2024 Share Repurchase Program as of December 31, 2024.

11.6M
Shares repurchased in Full-Year 2024 for $250M at an average share price of $21.59 per share. **2M shares** repurchased in Q4 2024 for $46M.

Income Statement & Earnings Summary

$107M
GAAP net income attributable to common stock in Q4 2024.

$0.50
Q4 2024 GAAP diluted earnings per common share.

$2.68
Full-Year 2024 GAAP diluted earnings per common share. **$590M** GAAP net income attributable to common stock in Full-Year 2024.

5.19%
Net interest margin for Full-Year 2024 and **4.92%** net interest margin for Q4 2024.

$637M
Total operating expenses in Full-Year 2024, as compared to $619M in 2023. **$148M** total operating expenses in Q4 2024, as compared to $143M in the year-ago quarter.

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Additional Key Performance Metrics

Loan Sales

$3.7B

Private Education Loans at attractive premiums, including $3.4 billion of principal and $274 million in capitalized interest, sold in 2024.

Funding & Liquidity

Deposit portfolio balances at the end of Q4 2024 were 1.8% lower than at the end of Q3 2024; Q4 2024 mix of brokered vs. retail and other was approximately 45% and 55%, respectively.

3%

Uninsured deposits as a percentage of total deposits as of 12/31/2024.

$80M

Unrealized losses on marketable securities portfolio as of 12/31/2024.

31 bps

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

Credit Performance

$108M

Q4 2024 provision for credit losses; **5.83%** total allowance as a percentage of the ending total loan balance plus unfunded commitments and total accrued interest receivable on Private Education Loans, compared with 5.89% in Q4 2023.

3.7%

Percentage of Private Education Loans in repayment delinquent 30+ days as of 12/31/2024, as compared to 3.9% in 2023.

$332M

Private Education Loan net charge-offs for Full-Year 2024; 2.19% of average Private Educations loans in repayment, compared with 2.44% in 2023.

1.6%

Percentage of Private Education Loans in an extended grace period for Q4 2024[8]; **0.9%** of Private Education Loans in hardship and other forbearances in Q4 2024[9].

$93M

Private Education Loan net charge-offs for Q4 2024; 2.38% of average loans in repayment (annualized), compared with 2.43% in Q4 2023.

Private Education Loan Trends

- Fourth-quarter 2024 originations at approximately $982 million, 17% higher than the year-ago quarter. Full-Year originations were approximately $7.0 billion, 10% higher than the prior year.

- Full-Year 2024 originations volume for graduate students increased 22% compared to full-year 2023.

	Average FICO at Approval[2]	In School Payment	Cosigned
Q4 2024	755	58%	88%
Q4 2023	750	56%	84%

Private Education Loan Originations[1]

	Originations		Average FICO at Approval[2]	In School Payment	Cosigned
2024	$7,013	+ 10%	752	56%	90%
2023	$6,383	+ 7%	748	56%	87%
2022	$5,975	+ 10%	747	57%	86%
2021	$5,423	+ 2%	750	59%	86%
2020	$5,321		749	60%	86%

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Quarterly Financial Highlights

	Q4 2024	Q3 2024	Q4 2023
Income Statement ($ Millions)	$	$	$
Total interest income	661	653	669
Total interest expense	299	293	283
Net Interest Income	362	359	386
Less: provisions for credit losses	108	271	16
Total non-interest income	28	24	57
Total non-interest expenses	150	172	202
Income tax expense (benefit)	21	(14)	57
Net Income (Loss)	112	(45)	168
Preferred stock dividends	4	5	5
Net income (loss) attributable to common stock	107	(50)	164
Ending Balances ($ Millions)			
Private Education Loans held for investment, net	20,902	20,460	19,772
FFELP Loans held for investment, net	-	-	534
FFELP Loans held for sale, net	-	486	-
Deposits	21,069	21,445	21,653
Brokered	9,476	9,844	10,275
Retail and other	11,593	11,601	11,378

	Q4 2024	Q3 2024	Q4 2023
Key Performance Metrics			
Net Interest Margin	4.92%	5.00%	5.37%
Yield—Total Interest-earning assets	8.98%	9.07%	9.30%
Private Education Loans	10.54%	10.79%	11.02%
Cost of Funds	4.31%	4.35%	4.17%
Return on Assets (“ROA”)(3)	1.5%	(0.6)%	2.3%
Return on Common Equity (“ROCE”)(4)	22.5%	(10.2)%	40.2%
Private Education Loan Sales	$-	$-	$1,052
Per Common Share			
GAAP diluted earnings (loss) per common share	$0.50	$(0.23)	$0.72
Average common and common equivalent shares outstanding (millions)	215	215	227

Full-Year Financial Highlights

	2024	2023
Income Statement ($ Millions)	$	$
Total interest income	2,619	2,592
Total interest expense	1,138	1,030
Net Interest Income	1,481	1,562
Less: provisions for credit losses	409	345
Total non-interest income	368	247
Total non-interest expenses	642	685
Income tax expense	190	197
Net Income	608	581
Preferred stock dividends	18	18
Net income attributable to common stock	590	564
Ending Balances ($ Millions)		
Private Education Loans held for investment, net	20,902	19,772
FFELP Loans held for investment, net	-	534
Deposits	21,069	21,653
Brokered	9,476	10,275
Retail and other	11,593	11,378

	2024	2023
Key Performance Metrics		
Net Interest Margin	5.19%	5.50%
Yield—Total Interest-earning assets	9.17%	9.13%
Private Education Loans	10.81%	10.86%
Cost of Funds	4.25%	3.85%
Return on Assets (“ROA”)[(3)]	2.1%	2.0%
Return on Common Equity (“ROCE”)[(4)]	31.3%	35.8%
Private Education Loan Sales	$3,692	$3,154
Per Common Share		
GAAP diluted earnings per common share	$2.68	$2.41
Average common and common equivalent shares outstanding (millions)	220	234

Credit Performance(5)(6)(7)

Private Education Loans Held for Investment

($ Thousands)	Quarters Ended					
	DEC 31, 2024		SEP 30, 2024		DEC 31, 2023	
	Balance	%	Balance	%	Balance	%
Loans in repayment and percentage of each status:						
Loans current	$ 15,513,333	96.3%	$ 14,806,983	96.4%	$ 14,809,271	96.1%
Loans delinquent 30-59 days	$ 310,748	1.9%	$ 285,471	1.8%	$ 298,751	1.9%
Loans delinquent 60-89 days	$ 140,735	0.9%	$ 149,098	1.0%	$ 151,017	1.0%
Loans 90 days or greater past due	$ 141,935	0.9%	$ 118,703	0.8%	$ 150,775	1.0%
Total private education loans in repayment	$ 16,106,751	100.0%	$ 15,360,225	100.0%	$ 15,409,814	100.0%
Delinquencies as % of loans in repayment		3.7%		3.6%		3.9%
Loans in forbearance	$ 405,430		$ 301,414		$ 324,039	
Percentage of loans in forbearance:						
Percentage of loans in an extended grace period[8]		1.6%		0.9%		1.1%
Percentage of loans in hardship and other circumstances[9]		0.9%		1.0%		1.0%
Total allowance for credit losses* as a percentage of the ending total loan balance plus unfunded loan commitments and total accrued interest receivable on Private Education Loans		5.83%		5.84%		5.89%
Net charge-offs as a % of average loans in repayment (annualized)		2.38%		2.08%		2.43%

** Total allowance for credit losses represents the sum of the allowance for Private Education Loans and the allowance for unfunded loan commitments.*

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Allowance for Credit Losses

Consolidated Statements of Income – Provision for Credit Losses Reconciliation

($ THOUSANDS)		Quarter Ended December 31, 2024
Private Education Loan provision for credit losses:		
Provision for loan losses	$	80,533
Provision for unfunded loan commitments		27,646
Provisions for credit losses reported in consolidated statements of income	$	108,179

Factors affecting the Provision for Credit Losses 4th Quarter 2024

- Provision was impacted by both originations volume, as well as the timing of disbursements. Total originations in Q4 2024 increased 17% compared to the year-ago quarter. New unfunded commitments in Q4 2024, net of expired commitments unused, increased 18% compared to the year-ago quarter.

2025 Guidance*

For the full year 2025, the Company expects:

$3.00 - $3.10

GAAP Diluted Earnings
Per Common Share

6% - 8%

Private Education Loan Originations
Year-over-Year Growth

2.0% - 2.2%

Total Loan Portfolio Net Charge-Offs as a Percentage of Average Loans in Repayment

$655 - $675 million

Non-Interest Expenses

* The 2025 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.

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 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.
4. 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.
5. For purposes of 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).
6. For purposes of 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.
7. The period of delinquency is based on the number of days scheduled payments are contractually past due.
8. We calculate the percentage of loans in an extended grace period 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.
9. 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.

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