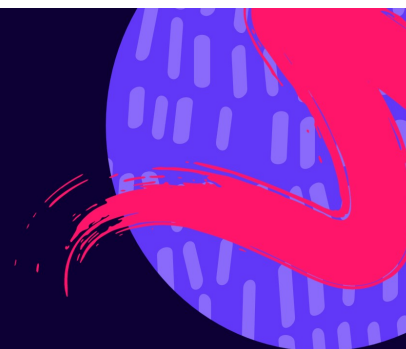




Sallie Mae Second Quarter 2025 Financial Results



NEWARK, Del., July 24, 2025 — Sallie Mae (Nasdaq:SLM), formally SLM Corporation, today released its second quarter 2025 financial results.

\$0.32

GAAP Diluted Earnings
Per Common Share

\$686M

Private Education
Loan Originations

2.4M

Shares repurchased in
Q2 2025 for **\$70M⁽¹⁾**

2.36%

Total Net Charge-Offs
as a Percentage of
Average Loans in
Repayment
(annualized)

\$167M

Non-Interest
Expenses

“Our solid performance in the second quarter and first half of the year reflects the strength of our core business, resilience of our customers, and continued execution of our strategy. We are optimistic about the long-term outlook for private student lending given recently passed federal student loan reforms and believe we are well-positioned to support more students and families, grow our business, and return capital to shareholders going forward.”

Jonathan Witter, CEO, Sallie Mae

Private Education Loan Portfolio Trends

- **\$22.6B** of average loans outstanding, net, up 10% from Q2 2024
- **\$149M** in provisions for credit losses in Q2 2025, compared with \$17M in Q2 2024
- **0.91%** loans in a hardship forbearance, down from 1.00% in Q2 2024⁽²⁾
- **3.51%** delinquencies as a percentage of loans in repayment, compared with 3.34% in Q2 2024
- **2.36%** net charge-offs as a percentage of average loans in repayment (annualized), compared with 2.19% in Q2 2024

Balance Sheet & Capital Allocation

\$0.13

Common stock dividend
per share paid in Q2
2025

12.8%

Total risk-based capital ratio
and CET1 capital ratio of
11.5%

\$302M

Capacity remaining under the 2024 Share Repurchase
Program as of June 30, 2025

Income Statement & Earnings Summary

\$67M

GAAP Net Income
attributable to common
stock in Q2 2025

5.31%

Net interest margin for Q2 2025,
a decrease of 5 basis points from
Q2 2024

\$149M

Provision for credit losses, an increase from Q2 2024 largely
due to release of provision from loan sale in Q2 2024, an
increase in loan commitments, net of expired commitments,
and changes in economic outlook

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 million - \$675 million

Non-Interest Expenses

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Media Contact: Rick Castellano, 302-451-2541

* 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. 4 for more information.

Quarterly Financial Highlights

	Q2 2025	Q1 2025	Q2 2024
<u>Income Statement (\$ millions)</u>			
Total interest income	\$657	\$656	\$641
Total interest expense	280	281	269
Net interest income	377	375	372
Less: provisions for credit losses	149	23	17
Total non-interest income	27	206	142
Total non-interest expenses	167	155	159
Income tax expense	16	99	87
Net income	71	305	252
Preferred stock dividends	4	4	5
Net income attributable to common stock	\$67	\$301	\$247
<u>Ending Balances (\$ millions)</u>			
Private Education Loans held for investment, net	\$21,160	\$21,091	\$18,433
FFELP Loans held for investment, net	—	—	483
Deposits	20,482	20,073	20,744
Brokered	8,592	8,689	10,033
Retail and other	11,890	11,384	10,711
<u>Key Performance Metrics (\$ in millions)</u>			
Net interest margin	5.31%	5.27%	5.36%
Yield - Total interest-earning assets	9.25%	9.22%	9.25%
Private Education Loans	10.62%	10.59%	10.91%
Cost of Funds	4.22%	4.23%	4.16%
Return on Assets ("ROA") ⁽³⁾	1.0%	4.2%	3.6%
Return on Common Equity ("ROCE") ⁽⁴⁾	12.6%	60.1%	50.6%
Private Education Loan sales	\$—	\$2,003	\$1,589
<u>Per Common Share</u>			
GAAP diluted earnings per common share	\$0.32	\$1.40	\$1.11
Average common and common equivalent shares outstanding (millions)	213	215	222

Footnotes:

(1) Shares of common stock were repurchased under Rule 10b5-1 trading plans authorized under the Company's 2024 Share Repurchase Program. As of June 30, 2025, we had \$302 million of capacity remaining under the 2024 Share Repurchase Program.

(2) 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 and delinquent loans in disaster forbearance) 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. Loans in hardship and other forbearances (excluding loans in an extended grace period and delinquent loans in disaster forbearance) were approximately \$150 million and \$145 million at June 30, 2025 and 2024, respectively.

(3) We calculate and report our Return on Assets ("ROA") as the ratio of (a) GAAP net income 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 attributable to common stock numerator (annualized) to (b) the net denominator, which consists of GAAP total average equity less total average preferred stock.

CAUTIONARY NOTE AND DISCLAIMER REGARDING FORWARD-LOOKING STATEMENTS

This press release contains “forward-looking statements” and information based on management’s current expectations as of the date of this press release. 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. 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; 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 Securities and Exchange Commission; 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; changes in laws, regulations, and supervisory expectations, especially in light of the goals of the Trump administration; 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; the societal, demographic, business, and legislative/regulatory impacts of pandemics, other public health crises, severe weather events, and/or natural disasters; 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, including changes as a result of new limits on, or reductions in, funding that certain educational institutions receive from the Federal government; 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, including as a result of the impact of tariffs or trade wars or other current initiatives of the Federal government, that may impact the demand for student loans and the risk of default of outstanding loans; 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 press release 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.

SLM CORPORATION
CONSOLIDATED BALANCE SHEETS (Unaudited)

	June 30, 2025	December 31, 2024
(Dollars in thousands, except share and per share amounts)		
Assets		
Cash and cash equivalents	\$ 4,092,465	\$ 4,700,366
Investments:		
Trading investments at fair value (cost of \$39,571 and \$41,715, respectively)	49,600	53,262
Available-for-sale investments at fair value (cost of \$1,742,863 and \$2,042,473, respectively)	1,650,656	1,933,226
Other investments	95,060	112,377
Total investments	1,795,316	2,098,865
Loans held for investment (net of allowance for losses of \$1,469,509 and \$1,435,920, respectively)	21,160,332	20,902,158
Restricted cash	163,761	173,894
Other interest-earning assets	2,102	4,880
Accrued interest receivable	1,695,698	1,546,590
Premises and equipment, net	117,821	119,354
Goodwill and acquired intangible assets, net	61,612	63,532
Income taxes receivable, net	454,837	425,625
Other assets	58,973	36,846
Total assets	\$ 29,602,917	\$ 30,072,110
Liabilities		
Deposits	\$ 20,481,952	\$ 21,068,568
Long-term borrowings	6,410,978	6,440,345
Other liabilities	335,000	403,277
Total liabilities	27,227,930	27,912,190
Commitments and contingencies		
Equity		
Preferred stock, par value \$0.20 per share, 20 million shares authorized:		
Series B: 2.5 million and 2.5 million shares issued, respectively, at stated value of \$100 per share	251,070	251,070
Common stock, par value \$0.20 per share, 1.125 billion shares authorized: 442.9 million and 440.6 million shares issued, respectively	88,592	88,121
Additional paid-in capital	1,218,580	1,193,753
Accumulated other comprehensive loss (net of tax benefit of (\$20,370) and (\$21,209), respectively)	(60,833)	(65,861)
Retained earnings	4,426,222	4,114,446
Total SLM Corporation stockholders' equity before treasury stock	5,923,631	5,581,529
Less: Common stock held in treasury at cost: 234.5 million and 230.2 million shares, respectively	(3,548,644)	(3,421,609)
Total equity	2,374,987	2,159,920
Total liabilities and equity	\$ 29,602,917	\$ 30,072,110

SLM CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands, except share and per share amounts)	2025	2024	2025	2024
Interest income:				
Loans	\$ 597,609	\$ 565,338	\$ 1,196,376	\$ 1,161,945
Investments	13,710	15,139	28,456	29,646
Cash and cash equivalents	45,440	60,999	88,017	113,443
Total interest income	656,759	641,476	1,312,849	1,305,034
Interest expense:				
Deposits	201,478	211,286	405,617	431,731
Interest expense on short-term borrowings	3,613	3,310	7,014	6,872
Interest expense on long-term borrowings	74,848	54,708	148,428	107,243
Total interest expense	279,939	269,304	561,059	545,846
Net interest income	376,820	372,172	751,790	759,188
Less: provisions for credit losses	148,718	16,830	172,004	28,871
Net interest income after provisions for credit losses	228,102	355,342	579,786	730,317
Non-interest income:				
Gains (losses) on sales of loans, net	(13)	111,929	187,722	254,968
Gains (losses) on securities, net	(2,641)	2,103	(13,019)	4,221
Other income	29,430	27,773	58,117	56,774
Total non-interest income	26,776	141,805	232,820	315,963
Non-interest expenses:				
Operating expenses:				
Compensation and benefits	84,900	85,261	175,730	181,737
FDIC assessment fees	9,782	11,727	22,185	25,039
Other operating expenses	71,664	60,218	122,019	110,863
Total operating expenses	166,346	157,206	319,934	317,639
Acquired intangible assets amortization expense	898	1,394	1,919	2,609
Total non-interest expenses	167,244	158,600	321,853	320,248
Income before income tax expense	87,634	338,547	490,753	726,032
Income tax expense	16,362	86,554	114,941	184,108
Net income	71,272	251,993	375,812	541,924
Preferred stock dividends	3,972	4,628	7,928	9,281
Net income attributable to SLM Corporation common stock	\$ 67,300	\$ 247,365	\$ 367,884	\$ 532,643
Basic earnings per common share	\$ 0.32	\$ 1.13	\$ 1.75	\$ 2.42
Average common shares outstanding	209,282	218,924	209,978	219,670
Diluted earnings per common share	\$ 0.32	\$ 1.11	\$ 1.72	\$ 2.39
Average common and common equivalent shares outstanding	213,220	222,467	214,098	223,156
Declared dividends per common share	\$ 0.13	\$ 0.11	\$ 0.26	\$ 0.22